

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554**

In the Matter of	)	
	)	
Telecommunications Relay Services and	)	CG Docket No. 03-123
Speech-to-Speech Services for	)	
Individuals with Hearing and Speech	)	
Disabilities	)	
	)	
Structure and Practices of the Video Relay	)	CG Docket No. 10-51
Service Program	)	

**Interstate Telecommunications Relay Services Fund**

**Payment Formula and Fund Size Estimate**

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May 1, 2013

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**Payment Formula and Fund Size Estimate  
Interstate Telecommunications Relay Services (TRS) Fund  
For July 2013 through June 2014**

**I. Introduction**

Rolka Loube Saltzer Associates LLC (RLSA), as Interstate Telecommunications Relay Services (TRS) Fund Administrator (the Administrator), herein submits proposed compensation rates, demand projections, projected fund size and proposed carrier contribution factor for the period July 2013 through June 2014, in accordance with section 64.604 of the Federal Communications Commission's (FCC or Commission) rules.<sup>1</sup>

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<sup>1</sup> 47 C.F.R. §64.604 (c)(5)(iii)(H).

In accordance with the Commission 2007 *Cost Recovery Order*,<sup>2</sup> the Administrator has used the Multi-state Average Rate Structure (MARS) methodology, based on the weighted average of competitively bid state rates, to propose compensation rates for interstate traditional TRS, interstate Speech-to-Speech (STS), interstate Captioned Telephone Service (CTS), and inter- and intrastate Internet Protocol (IP) Captioned Telephone Service (CTS).

For IP Relay Service the Administrator has provided updated rates based on the price cap structure adopted by the Commission in the *Cost Recovery Order*.<sup>3</sup> The updated rate is based on the providers' projected per-minute costs for the 2013-2014 program year. The Administrator has also provided an updated efficiency factor based on the providers' long term cost trends.

The Administrator's contribution factor recommendation has been developed to reflect a continuation of the current interim rates established by the Commission on an interim basis pending further Order. The Administrator is also providing two alternate VRS rate recommendations that are consistent with the recommendation previously offered in a Supplemental Filing dated October 15, 2012 in the Matter of *Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities* at CG Docket No. 03-123 and *Structure and Practices of the Video Relay Service Program* CG Docket No. 10-51 of herein<sup>4</sup>.

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<sup>2</sup> Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities, CG Docket No. 03-123, Report and Order and Declaratory Ruling, 22 FCC Rcd 20140 (2007) (Cost Recovery Order)

<sup>3</sup> Telecommunications Relay Services and Speech-to-Speech for Individuals with Hearing and Speech Disabilities, CG Docket No. 03-123, Order, 25 FCC Rcd 8689 (2010) (2010 Rate Order)

<sup>4</sup> Structure and Practices of the Video Relay Service Program, CG Docket No. 10-51, Telecommunications Relay Services and Speech-to-Speech for Individuals with Hearing and Speech Disabilities; CG Docket No. 03-123, FCC 11-184 Rel. 12/15/2011, The Commission stated in the 2011 VRS Rate Order that the

The Administrator projects a total fund cash requirement for Fiscal Year 2013-2014 of \$1,543 million.<sup>5</sup> Calendar year 2012 interstate and international end user revenues estimated by the DCA total \$66.3 billion. The contribution factor for the 2013-2014 fund year, derived from the ratio of estimated fund size to prior calendar year revenues, is proposed to be 0.0233. Upon approval by the Commission, the fund Administrator will begin billing carriers for the 2013 – 2013 funding period in July 2013.

## **II. Interstate TRS Fund Overview**

The Interstate TRS Fund (TRS Fund) is designed to compensate eligible relay service providers<sup>6</sup> for the reasonable costs of furnishing “[t]elephone transmission services that provide the ability for an individual who has a hearing or speech disability to engage in communications by wire or radio with a hearing individual in a manner that is functionally equivalent to the ability of an individual who does not have a hearing or speech disability to communicate using voice communications services by wire or radio.”<sup>7</sup>

Services that are currently compensated from the TRS Fund include interstate traditional TRS, interstate captioned telephone service (CTS), interstate speech-to-speech (STS), and both intrastate and interstate video relay service (VRS), Internet protocol (IP)

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interim rates currently in effect would “be in effect on an interim basis until the Commission completes its examination of VRS rates and compensation as part of the 2010 VRS NOI proceeding” because “extending the current interim rates and compensation structure temporarily provided the best means to ensure stability and certainty for VRS while the Commission continues to evaluate the issues and the substantial record developed in response to the 2010 VRS NOI proceeding.”

<sup>5</sup> To calculate the VRS portion of the proposed 2012-2013 total fund size, the Administrator used 2011-2012 VRS rates in conjunction with demand projections.

<sup>6</sup> Eligible providers are defined as (1) TRS facilities operated under contract with and/or by certified state TRS programs pursuant to section 64.605; or (2) TRS facilities owned by or operated under contract with a common carrier providing interstate services pursuant to section 64.604; or (3) interstate common carriers offering TRS pursuant to section 64.604; or (4) Video Relay Service (VRS) and Internet Protocol (IP) Relay providers certified by the Commission pursuant to § 64.606.

<sup>7</sup> 47 C.F.R. 64.601(21) Definition of Telecommunications Relay Services.

Relay service, and IP captioned telephone service (IP CTS). The Administrator reimburses providers at compensation rates computed by the Administrator in accordance with Commission rules, and approved or modified by the Commission. In 2007 the Commission's *Cost Recovery Order* adopted methodologies for establishing the reimbursement rates for the various relay services.<sup>8</sup> In June 2008 the Commission also authorized providers' reimbursement for costs associated with implementation of 10-digit numbering and E-911 for relay services.<sup>9</sup> In the *2010 Rate Order* the Commission approved the Administrator's proposal to include the costs associated with ongoing maintenance of 10-digit numbering and E-911 for relay services as a per-minute additive to the relay service reimbursement rate base year calculation. The Bureau's Order of June 28, 2010 adopted this methodology for the current and future fund years.<sup>10</sup>

The Commission's shared funding mechanism for the TRS Fund ensures that the costs of meeting relay service obligations are borne equitably. Interstate telecommunications common carriers contribute to the TRS Fund on the basis of their relative share of interstate and international end user revenues.<sup>11</sup> The TRS funding period

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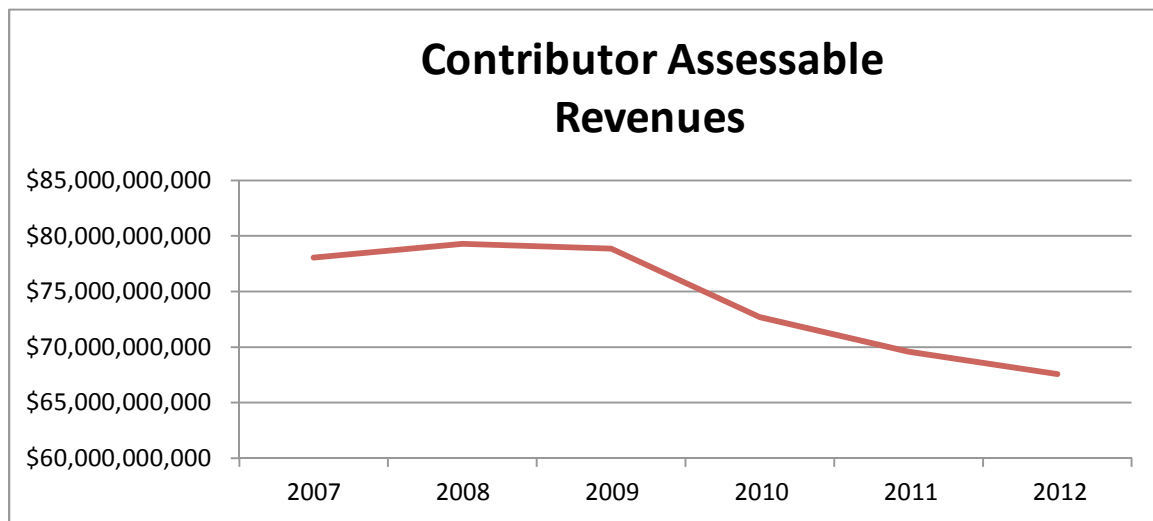
<sup>8</sup> The methodologies included price caps for IP Relay and a tiered rate structure for VRS. The Commission set IP Relay and VRS rates for a period of 3 years and confirmed that the initial year for the applicability of the rates was the 2007-2008 fund year. Thus, the initial three year period for the IP and VRS methodologies sunset as of June 30, 2010. See *Cost Recovery Order* ¶¶ 97, 107-108. In the *2010 Rate Order* the Commission initiated a new 3-year cycle for IP Relay rates and adopted interim, one-year rates for VRS, for effect while the Commission considered broad reform, which is still pending.

<sup>9</sup> Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities, CG Docket No. 03-123; E911 Requirements for IP-Enabled Service Providers, WC Docket No. 05-196, Report and Order and Further Notice of Proposed Rulemaking, 23 FCC Rcd 11591 (2008) (TRS Numbering Order) at ¶¶ 96-101

<sup>10</sup> 2010 Rate Order at ¶ 25

<sup>11</sup> See 47 C.F.R. §64.604(c)(5)(iii)(A)-(C). Every carrier providing interstate telecommunications services (including interconnected VoIP service providers pursuant to §64.601(b)) and every provider of non-interconnected VoIP service shall contribute to the TRS Fund on the basis of interstate end-user revenues as described herein. Contributions shall be made by all carriers who provide interstate services, including, but not limited to, cellular telephone and paging, mobile radio, operator services, personal communications service (PCS), access (including subscriber line charges), alternative access and special access, packet-

commences on July 1 and ends June 30 of the following calendar year. For the July 2013 to June 2014 fund year, the Administrator will use the carriers' 2012 interstate and international end user revenues<sup>12</sup> as the basis for calculating carriers' contributions. The preliminary report of the Data Collection Agent of Carriers' reported 2012 revenues were \$66.3 billion; approximately \$1.3 billion (2%) lower than the amount used to calculate contributions for 2012 – 2013 Fund year.



Upon approval of the contribution factor by the Commission, the Administrator will promptly bill carriers for the 2013 – 2014 funding period which begins July 2013. Annual contributions will be due within 28 days after their July invoice date. Carriers, whose contributions are \$1,200 or more, will have the option to be invoiced in twelve equal monthly installments. Invoices will be due four weeks after the issue date of the monthly invoice. RLSA has assigned each monthly contributor to one of four monthly

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switched, WATS, 800, 900, message telephone service (MTS), private line, telex, telegraph, video, satellite, intraLATA, international and resale services.

<sup>12</sup> Revenues are reported on the Telecommunications Reporting Worksheet, FCC Form 499-A, on April 1, 2012, and provided to the Administrator by the Universal Service Administrative Company (USAC), the Revenue Data Collection Agent (DCA). At the time of preparation of this filing the information from the DCA is considered preliminary and updated data will be used for the calculation of carrier contributions.



invoice cycles and issues approximately one quarter of the monthly Invoices on the first four Fridays of each month.

Per minute compensation rates will also be effective for minutes of service beginning July 1<sup>st</sup>, assuming approval of the proposed rates by the Commission. Provider requests for reimbursement will be processed within 60 days following the submission of the request for reimbursement, although the Administrator will be attempting to reduce the processing time required for those submissions as new systems are developed to perform validation testing prior to the release of payments. For example, minutes handled by providers in July 2013 are expected to be reported in August 2013, and providers will then receive compensation for those minutes at the new rates, in early October 2013.<sup>13</sup>

### **III. TRS Formula Development**

#### **A. MARS**

The *Cost Recovery Order* adopted the Multi-state Average Rate Structure (MARS) plan as the basis for calculating the compensation rate for interstate traditional TRS, interstate Speech-to-Speech (STS), interstate Captioned Telephone Service (CTS) and interstate and intrastate Internet Protocol Captioned Telephone Service (IP CTS).<sup>14</sup> The Administrator will calculate annually one MARS rate for interstate TRS and STS based on the weighted average of state rates for TRS and STS and a separate MARS rate for interstate CTS and intrastate and interstate IP CTS based on the weighted average of

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<sup>13</sup> See Exhibit 3 Anticipated Reporting and Disbursement Schedule. The reporting and disbursement schedule is subject to modification based on exogenous circumstances.

<sup>14</sup> Cost Recovery Order at ¶ 16.

state rates for CTS.<sup>15</sup> The Commission determined that because there was a lack of data for IP CTS, it would be reimbursed at the same rate as CTS.

The Commission identified the steps for the Administrator to use to determine MARS-based compensation rates.<sup>16</sup> The Administrator must first collect intrastate traditional TRS, STS, and CTS compensation rate data for the prior calendar year. Accordingly, the Administrator requested the following information from each state TRS administrator and each provider of interstate traditional TRS, STS and CTS for calendar year 2012:<sup>17</sup>

- a. the per-minute compensation rate for intrastate TRS and STS
- b. the per-minute compensation rate for intrastate CTS
- c. whether the rate applies to session or conversation minutes
- d. the number of intrastate session minutes for TRS and STS
- e. the number of intrastate session minutes for CTS
- f. the number of intrastate conversation minutes for TRS and STS
- g. the number of intrastate conversation minutes for CTS
- h. any amounts paid by the state to the provider for relay service during the previous calendar year that are not included in the contractual per-minute compensation rate

The Administrator must then determine whether there are anomalies in any state's data that will necessitate it being excluded from the MARS calculation,<sup>18</sup> calculate each state's total dollars paid for the year for intrastate traditional TRS, STS, and CTS services, and calculate the final rate by dividing the total dollars paid by all states by the total conversation minutes of all states for TRS and STS and separately for CTS.

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<sup>15</sup> *Id.*

<sup>16</sup> Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities, CG Docket No. 03-123; Structure and Practices of the Video Relay Service Program, CG Docket No. 10-51, FCC 11-104, Rel. June 30, 2011 at ¶¶ 9-18.

<sup>17</sup> The Annual Data Collection Form is included at Appendix A.

<sup>18</sup> For example, if there were no state TRS Fund and the cost of providing Relay services were recovered by the service provider based on each LEC's proportionate share of subscriber lines in the state, MARS like data would not be available and thus, would be excluded from the MARS computation.

## 1. Traditional TRS and STS Formula Development

From the data collected and follow up discussions with the state contacts, the Administrator found, as the Commission indicated in the *Cost Recovery Order*,<sup>19</sup> that Michigan continues to recover their relay service providers costs on a flat rate per subscriber basis instead of per minute basis and thus does not have data that can be used for MARS calculation purposes. For the remaining 49 states, District of Columbia, U.S. Virgin Islands and Puerto Rico, the Administrator multiplied each jurisdiction's TRS and STS rate by the corresponding number of intrastate session minutes or intrastate conversation minutes, whichever the jurisdiction's rate was based upon.<sup>20</sup> For those states experiencing a mid-year rate change, the calculation was performed for each rate and service period. The calculation was made for each jurisdiction and the resulting weighted dollar amounts summed to produce a total dollar amount for each service. The Administrator added to the weighted dollar total any additional amounts paid by the states to the relay service provider(s) during the applicable period that were not included in the contractual per-minute compensation rate, but were applicable to the provision of relay service.<sup>21</sup> As a final step, the Administrator divided the resulting total weighted dollar and supplemental payment amount by the total number of intrastate TRS and STS conversation minutes.<sup>22</sup> The results of this calculation can be found in Exhibit 1-1. Appendix C displays the range of rates reported by the individual state jurisdictions.

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<sup>19</sup> Cost Recovery Order at ¶ 58.

<sup>20</sup> *Id.* at ¶ 30

<sup>21</sup> *Id.* at ¶ 31

<sup>22</sup> *Id.*

The total dollar amount paid out for intrastate TRS and STS during calendar year 2012, including the amounts paid to relay providers, which was not included in the per-minute compensation rate, amounted to \$41,805,828. The total conversation minutes for intrastate TRS and STS for calendar year 2012 were 19,312,127. The proposed compensation rate is developed by dividing the total 2012 intrastate dollar amount by the total 2012 intrastate conversation minutes, resulting in a proposed MARS rate of \$2.1647 per conversation minute for interstate traditional TRS and interstate STS for the 2013 – 2014 funding period. The proposed rate is approximately 6.7% higher than the 2011 – 2012 MARS calculation of \$2.0304 per conversation minute.

In the *Cost Recovery Order*, the Commission provided an additional amount of \$1.131 to the 2007-2008 interstate STS compensation rate to be used by the providers for outreach efforts.<sup>23</sup> In the ensuing Fund years, the Commission has found it appropriate to continue the outreach additive at the same level.

The Administrator has recommended adding the \$1.131 to the MARS-based STS rate resulting in a total proposed STS rate of \$3.2957 per minute; an increase of \$0.1346 from the \$3.1614 per minute rate for the 2012-2013 Fund year. However, the Administrator notes that the demand for STS continues to be small compared to the other services. It is not clear that the outreach additive applied to the per-minute rate is having the desired result. The Commission may wish to revisit this issue to determine whether there is a more effective way to inform speech impaired users about the availability of this service.<sup>24</sup>

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<sup>23</sup> *Id.* at ¶¶ 57, 61

<sup>24</sup> At its April 2013 meeting, the Interstate TRS Advisory Council was informed of the Administrator's intent to recommend that \$1.131 per minute of extra funding for speech to speech outreach purposes be maintained.

## 2. CTS Formula Development

The proposed MARS CTS rate was calculated by following the same steps described above but substituting CTS related data for the TRS and STS data. Data for Michigan was excluded, because the states compensated their relay providers with a flat rate mechanism in 2012. The results of this calculation can be found in Exhibit 1-2. Appendix D summarizes the data provided by the individual state jurisdictions. The MARS CTS rate has also been used to compensate providers for IP CTS.<sup>25</sup>

The total dollars for intrastate CTS, including the amounts paid to relay providers not included in the compensation rate, totaled \$53,375,194 for calendar year 2012. The total conversation minutes for intrastate CTS totaled 29,857,502 for calendar year 2012. The total 2012 intrastate dollars divided by 2012 intrastate CTS minutes equals a proposed compensation rate of \$1.7877 per conversation minute for interstate CTS and interstate and intrastate IP CTS for the 2013 – 2014 funding period.

The proposed MARS CTS rate of \$1.7877 represents a modest \$0.0147 increase from the 2012 – 2013 rate of 1.773 or approximately 0.8%.

The RLSA Annual Data Collection form also requested historic cost data regarding the provision of IP CTS in calendar years 2011 and 2012 as well as projected costs for 2013 and 2014 based on the cost categories reported by service providers for IP Relay services. The results of analysis of that IP CTS data are found in Exhibit 1-4 and are the basis for an alternative reimbursement recommendation of the average of the projected costs for the annual 2013 and 2014 projected costs in the amount of \$1.4816

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<sup>25</sup> Cost Recovery Order at ¶ 38.

which is \$0.3061 below the MARS CTS rate for the 2013-2014 funding year or approximately 17% less than the MARS rate level of \$1.7877.

**B. Internet Protocol Relay**

In the *Cost Recovery Order*, the Commission concluded that the MARS methodology is not appropriate for IP Relay, because there are no state rates for this service. Although it was believed that the costs of providing traditional TRS and IP Relay are generally similar – in many instances, for example, the same CAs, sitting at the same offices, handle both traditional and IP Relay calls – there was concern that the use of MARS rate for IP Relay may result in the overcompensation of IP Relay providers. The Commission adopted a new cost recovery methodology for Internet Protocol (IP) Relay based on price caps for a three year period beginning with the effective date of that Order.<sup>26</sup> That three year period ended on June 30, 2010 coincident with the end of the 2009-2010 Fund year. For the 2011-2012 Fund year the Commission adopted an IP Relay compensation rate of \$1.2920 as the second year rate under a new three-year price cap period.<sup>27</sup>

The *Cost Recovery Order* price cap plan for IP Relay applies three factors to a base rate – an Inflation Factor, an Efficiency (or “X”) Factor, and Exogenous Costs. The basic formula takes a base rate and multiplies it by a factor that reflects an increase due to inflation, offset by a decrease due to efficiencies. The Inflation Factor is Gross Domestic Product – Price Index (GDP-PI).<sup>28</sup> The Efficiency Factor has been set as a figure equal to the Inflation Factor, less 0.5 percent (or 0.005) to account for productivity gains. As a

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<sup>26</sup> *Id.* at ¶ 109.

<sup>27</sup> 2011 Rate Order at ¶ 20

<sup>28</sup> *Cost Recovery Order* at 6-7.

result the rate for a particular year would be equal to the rate for the previous year, reduced by 0.5 percent (*i.e.*,  $\text{Rate}_{\text{Year } Y} = \text{Rate}_{\text{Year } Y-1} (1 - 0.005)$ ).<sup>29</sup> There were no claims of exogenous costs made by the IP Relay service providers. Reducing the then current rate by 0.5 percent resulted in the rate for the 2012-2013 fund year of \$1.2855. The MARS rate for TRS for the same period was set at \$2.0304 per minute, nearly 60% above the IP Relay rate. The Commission committed to reassess the appropriate base rate at the expiration of the three year price cap plan,

The price cap regime is in effect through the end of the 2012-2013 fund year. IP Relay service providers are still required to report historical and projected costs to the Administrator on an annual basis. Following are the results of analyzing the cost data submitted by the IP Relay service providers<sup>30</sup>.

For analysis purposes, the Administrator segregated the provider historical and projected costs into nine distinct categories for review:

- **Facilities**, those expenses associated with land and buildings, etc.;
- **Interpreter Expense**, the costs of the individuals performing the interpretive services;<sup>31</sup>
- **Non-Interpreter Relay Center Expense**, other costs associated with the relay center including supervisory management, telecommunications expense, etc.;
- **Indirect Expense**, finance, human resources, legal expenses, executive compensation, etc.;
- **Depreciation Expense**, annual depreciation on facilities and equipment;

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<sup>29</sup> *Id.* at 10.

<sup>30</sup> The Administrator has been advised that Hamilton has announced that it will cease providing IP Relay services as of May 15, 2013 and that it will assist its customers to transition to other providers.

<sup>31</sup> Service provided under contract with another provider has been included in this category as well.

- **Marketing Expense**, the projected costs of advertising the provider's service;
- **Outreach Expense**, the projected costs of notifying consumers of service availability;
- **Other Expenses**, projected expenses not directly associated with one of the other expense categories; and
- **Capital Investment**, the investment in facilities, equipment, furniture, etc. associated with the relay center.

Based on the analysis described above, the providers' projected costs track closely with what has been reported as their reported average historical cost per minute for providing IP Relay Service. The average per-minute cost reported for 2011 was \$0.8789. For 2012 the average per minute cost was reported at \$0.8451. Providers are projecting an average cost of \$0.8346 for the calendar year 2013, and \$0.8642 for calendar year 2014. The rate of \$0.8486 per minute represents the forecasted average industry cost for the tariff year 2013-2014. The forecast average IP Relay cost per minute is \$1.3161 below the MARS rate for TRS. Whereas the MARS rate for TRS service has increased the IP Relay average cost has declined markedly, in contrast to the anticipated cost resemblance for the two services based on common CAs and facilities.

For the 2013-2014 Fund year, the Administrator proposes a per-minute rate of \$1.0391. While the recommended rate is above the weighted average cost of all providers, it considers the cost differentials among the efficient providers of IP-Relay service and allows the efficient providers to earn positive profits on a prospective basis. Inefficient providers are provided the incentive to reduce their costs or incur losses. These results are consistent with price-cap regulation. An efficiency factor of 6 %



represents the average annual decrease in the cost of providing IP Relay service from 2007 to the current tariff year. An efficiency factor of 6% should be used as part of the IP-Relay price cap calculation to determine the IP-Relay Rate for the next three year price cap cycle, on the base year rate of \$1.0391.

### **C. Video Relay Service**

On April 8, 2011 the Consumer and Governmental Affairs Bureau's *Waiver Order* waived the 2011 Administrator filing requirement for video relay service (VRS) payment formulas and revenue requirements.<sup>32</sup>

The Waiver Order specified that "After considering the issues before it, the Commission will provide further guidance to the Fund Administrator in a subsequent order"<sup>33</sup>. Thus the Administrator assumes the current rates for VRS for the 2013 – 2014 funding period, as displayed in Table 1 below, remain in effect pending further instruction from the Commission.

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<sup>32</sup> DA 11-655 Order at ¶1.

<sup>33</sup> DA 11-655 Order at ¶3.

Table 1 Current VRS Tier Rates

VRS	MOU	2011-2012 Rates
Tier 1	<50,000	\$ 6.2390
Tier 2	50,001 to 500,000	\$ 6.2335
Tier 3	>500,000	\$5.0668

Video Relay service providers are required to report historical and projected costs to the Administrator on an annual basis. Following are the results of analyzing the cost data submitted by the IP Relay service providers and alternate recommendations that are consistent with the recommendations and cost data submitted to the Commission on October 15, 2012 in this docket.

For analysis purposes, the Administrator segregated the provider historical and projected costs into nine distinct categories for review:

- **Facilities**, those expenses associated with land and buildings, etc.;
- **Interpreter Expense**, the costs of the individuals performing the interpretive services;
- **Non-Interpreter Relay Center Expense**, other costs associated with the relay center including supervisory management, telecommunications expense, etc.;
- **Indirect Expense**, finance, human resources, legal expenses, executive compensation, etc.;
- **Depreciation Expense**, annual depreciation on facilities and equipment;
- **Marketing Expense**, the projected costs of advertising the provider's service;
- **Outreach Expense**, the projected costs of notifying consumers of service availability;

- **Other Expenses**, projected expenses not directly associated with one of the other expense categories; and
- **Capital Investment**, the investment in facilities, equipment, furniture, etc. associated with the relay center.

RLSA offers the following recommendations regarding the restructuring of VRS rates for the upcoming tariff year 2013-2014.

1. The Tier I rate should be equal to the Tier II rate.
2. The Tier II and Tier III rates should be based on our October 15, 2012 recommendation to the Commission. That recommendation decreased by one-third of the difference between the current rate and the weighted average cost of service for the years, 2010, 2011 and 2012. The cost basis in the recommendation differs from the standard reported cost basis because the recommendation includes an allowance for federal income taxes associated with the return on equity.<sup>34</sup>
3. The size of the tiers should be integrated into the annual rate-making proceedings rather than be established in a rule making proceeding.

Data submitted by the providers in response to the Administrator's annual data request are shown below<sup>35</sup>. The data are summed across the providers by category and then divided by annual VRS minutes.

Category	2011	2012	2013	2014
Facilities	\$0.2519	\$0.2473	\$0.2488	\$0.2468

<sup>34</sup> The cost data for 2011 and 2012 are the actual costs of the providers and the cost data for 2013 and 2014 are projected costs for the providers.

<sup>35</sup> Industry cost data differs from the values reported in the prior submission due to the changed composition of the providers that filed data in response to the 2012 annual data request with respect to those that filed in response to the 2011 annual data request which was relied on for the October 15, 2012 submission.

CA Related	\$1.4745	\$1.4758	\$1.6681	\$1.9399
Non-CA Relay Center	\$0.3772	\$0.3912	\$0.3934	\$0.4079
Indirect	\$0.5255	\$0.4822	\$0.5575	\$0.5680
Depreciation	\$0.1976	\$0.1686	\$0.1682	\$0.1852
Marketing	\$0.0430	\$0.0399	\$0.0432	\$0.0464
Outreach	\$0.2642	\$0.2412	\$0.2691	\$0.2796
Other	\$0.0556	\$0.0018	\$0.0018	\$0.0042
Return on Investment	\$0.0581	\$0.0450	\$0.0393	\$0.0323
Total Cost	\$3.2477	\$3.0929	\$3.3894	\$3.7102

The downward trend in cost of service from 2010 to 2011 reported in the October 15, 2013 submission is continued through 2012, in contrast to the provider projected 2012 increase of \$3.4158 which appeared in the October submission and is projected to be reversed in the updated projected data. The leading factor affecting the 2013 and beyond increase is the substantial projected increase in communications assistants' cost. These costs are projected to increase 12.8% in 2013 and a further 16.3% in 2014. These increases appear to be on the very high end of labor compensation increases and should be scrutinized closely for reasonableness, particularly in light of the low correlation between projected CA related increases and subsequent historical performance.

The return on investment is calculated without accounting for the requirement to pay federal corporate income tax. It is based solely on the FCC's 11.25% rate of return

that was adopted in 1990. Accounting for corporate income tax increases could increase the cost by approximately 2 cents per minute.<sup>36</sup>

The total cost does not include costs associated with purchasing customer equipment that is subsequently provided to customers free of charge. Adding customer premise equipment would increase the total cost by approximately \$0.10 per minute. RLSA recommends these costs be excluded from the VRS rate calculation consistent with Commission precedent.

In its July 12, 2006 Memorandum Opinion and Order released on July 12, 2006 in CG Docket No. 03-123, FCC 06-88 the FCC rejected a provider's request to recoup the costs of video cameras to be installed at the customer premises in order for the customer to be able to use VRS. The Commission stated:

The Commission has consistently stated that compensable expenses must be the providers' expenses in making the service available and not the customer's costs of receiving the service.<sup>59</sup> Compensable expenses, therefore do not include expenses for customer premises equipment – whether for the equipment itself, equipment distribution, or installation of the equipment or any necessary software.

<sup>59</sup> See, e.g., *2004 TRS Report & Order*, 19 FCC Rcd at 12543-12544, paras. 179, 181.

Because cost are substantially less than current rates, RLSA recommends that cost based rates be phased in over a multi-year time period. RLSA renews its October 15, 2012 recommendation. That recommendation requested the Commission take a step in that process by reducing the current VRS rates by one-third of the difference between the current rate and a three year average cost. These recommended rates are \$5.2887 for

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<sup>36</sup> The corporate income tax calculation was based on a 15.21% grossed-up cost of capital. That factor was calculated using the following equation:  $15.21 = 11.25 * (1 + (EP * Tax / (1 - Tax)))$ , where EP, equity percentage, 63.8, is based on the factors used to determine the 11.25% return, and a 35% tax rate. See *Represcribing the Authorized Rate of Return for Interstate Services of Local Exchange Carriers*, CC Docket No. 89-624, *Order*, FCC 90-315 (Order released December 7, 1990, corrected December 21, 1990).

Tier I and II and \$4.5099 for Tier III.<sup>37</sup> Additional recommendations regarding the size of rate changes and the number of years over which the phase-in would occur will depend on an analysis of changes in industry structure and the cost-of-service.

With regard to Tier I, RLSA recommends that the rate for Tier I be set equal to the rate for Tier II. The FCC instituted the Tiers in order to take into consideration differences in firm sizes and costs. However, because of the substantial reduction in the number of firms providing VRS, there may no longer be a need for three tiers defined in terms of minutes. RLSA believes that the Commission should have the ability to adjust both the number of Tiers and the size of the Tiers in order to respond to the changing composition of the VRS service provider industry. The substantial turn-over in the firms providing VRS is reflected in the fact that while nine firms<sup>38</sup> provided VRS in 2010 and 10 firms<sup>39</sup> provided VRS in 2011, only eight firms<sup>40</sup> provided projected cost data for 2012, and only six firms<sup>41</sup> provided projected cost data for 2013 and 2014. Three of the eight firms that offered 2012 projections are no longer providing VRS.

Because of the changes in the number of firms and their relative size, RLSA is recommending that the determination of the size of the Tiers be integrated into the annual rate-making proceedings. During those proceedings, the Administrator would analyze the cost data and provide the Commission with a recommendation regarding the Tier sizes and rates. This would allow the Commission the flexibility to change the Tier sizes to meet the needs of the industry on an annual basis. In the alternative, the Commission

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<sup>37</sup> These rates are determined using the following equation:  $\text{new rate} = \text{old rate} - ((\text{old rate} - \text{cost})/3)$ .

<sup>38</sup> American Network, AT&T, Convo, CSDVRS, Healinc, Purple, Snap, Sorenson, and Sprint.

<sup>39</sup> American Network, AT&T, Convo, CSDVRS, Gracias, Healinc, Purple, Snap, Sorenson, and Sprint.

<sup>40</sup> American Network, Convo, CSDVRS, Gracias, Healinc, Purple, Snap, and Sorenson.

<sup>41</sup> Convo, CAAG, Gracias, CSDVRS, Purple and Sorenson.

could determine an annual reduction in the differences in Tier rates if the Commission finds that such a reduction is in the public interest.

As an alternative to setting the rates for Tiers I and II equal, and to accommodate a further reduction in the revenue requirement of the TRS Fund, RLSA is recommending that the upper limit of Tier II be increased to 1.5 million minutes and that the rates for Tier II be set to \$4.9335 and Tier III set to \$3.8099.

In addition, RLSA recommends that the Commission seek comment on an alternative method for determining cost of service for the providers. The current rate-base rate-of-return method is oriented towards capital intensive telecommunications carriers. TRS services, on the other hand, are labor intensive services. The largest cost item for these providers is the salaries and benefits of the communications assistants. In a labor intensive industry, rate-base regulation may not provide the appropriate model of regulation. Thus, RLSA recommends that the Commission seek comment on whether alternative regulatory structures such as operating ratios would be a more appropriate method of regulation.

#### **IV. Demand Projection Methodology**

In order to estimate the annual funding requirement and propose a contribution factor, an estimate of the interstate funding requirement for each of the services is required. The fund requirement equals the service rate multiplied by the tariff year service demand. Providers of services being compensated using the MARS-based rate methodology, (i.e. traditional TRS, STS and CTS), are not required to submit demand projections.

In this report, as was done previously, historical demand was used to estimate the future demand for traditional interstate TRS, STS and CTS. Using the linear trend forecast capability of Microsoft Office Excel, the Administrator projected demand for the 2012 – 2013 Fund year using actual data available to the Administrator at the time the filing is due to the Commission.<sup>42</sup> For each of these services, the Administrator projected demand and an estimated funding requirement based on the proposed compensation rates for the funding year. This approach has historically provided reasonably accurate results for these services.

The Administrator has historically used the forecasts submitted by the providers for IP Relay and VRS services and recommends them for use for the 2013 – 2014 funding year. This approach has historically provided reasonably accurate results for these services. The administrator applied the proposed IP Relay rate and current tiered VRS reimbursement rates to calculate the funding requirements for these services.

The IP CTS industry demand projection for the 2013-2014 funding year totals 181,429,401 minutes. The Administrator does not consider the compilation of this demand forecast to be valid, in light of the recent failure of the industry forecast to reasonably reflect the corresponding historical result. For example, the industry forecast for the current year is 72,003,159 minutes; nearly double the projection of the prior year, which itself was nearly double its previous projection. The reported demand for the first eight months of the current program has reached 63,661,553 minutes, or 88% of the projected annual total in 66% of the period. The funding requirement of this

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<sup>42</sup> In most instances this embodies July 2012 through February 2013 minutes.



unanticipated additional growth has exhausted the fund reserves and threatens the financial health of the Fund.

IP CTS demand has been affected by a number of factors over the past few years; the most significant among those factors is the entry of an additional service provider, who has aggressively expanded its market share over each of the past several years. Recently the Commission adopted interim rules which are anticipated to dampen the continued rapid increase in IP CTS demand. The impact of the interim rule prohibiting all referral for rewards programs and any other form of direct or indirect inducements, financial or otherwise to subscribe to or use or encourage subscription to or use of Internet Protocol Captioned Telephone Service became effective February 5, 2013. The interim requirement to register each new IP CTS user, and as part of the registration process to obtain for the user a certification that the user has a hearing loss that necessitates IP CTS to communicate in a manner that is functionally equivalent to communication by conventional voice telephone users; and required IP CTS providers to ensure that equipment and software used in conjunction with their service have a default setting of captions off at the beginning of each call became effective March 7, 2013.<sup>43</sup> The interim rules adopted in the Order at, 47 C.F.R. §§ 64.604(c)(8), (c)(9), and (c)(10), SHALL CEASE TO BE EFFECTIVE 180 days after the effective date for the interim rules on registration, and certification, 47 C.F.R. § 64.604(c)(9), or on the effective date of final rules on these issues, whichever date is sooner.

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<sup>43</sup> See Order and Notice of Proposed Rulemaking, CG Docket No. 13-24 Misuse of Internet Protocol (IP) Captioned Telephone Service and CG Docket No. 03-123 Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities, FCC 13-13, adopted January 24, 2013, Rel. January 25, 2013.

The Administrator has analyzed the historical growth patterns of IP CTS demand and developed several alternative demand projections from the historical data. Each of those projections is described below.

The first alternative to the industry demand projection is based on a calculation of the historical industry growth pattern for the recent two calendar years, which was found to be 8.17% and applied it to the anticipated current year end level of demand. This analysis produces an estimated demand for the 2013-2014 funding year of 290,319,247 minutes.

A second alternative to the industry demand projection is based on a calculation of the historical growth pattern of each of the individual service providers for the period January 2011 through and including the most recent provider actual reported data and then combining the individual company results to estimate the industry wide demand. This approach gives weight to the current makeup of the industry in contrast to a longer period of analysis and expressly reflects the effect of each company's marketing practices on demand. This analysis has been used by the Administrator to accurately track and predict the monthly cash requirements of the Fund from September 2012 through March 2013, which if left unchecked would recommend its use for estimating demand for the 2013-2014 funding year. This analysis produces an estimated demand for the 2013-2014 funding year of 409,268,995 minutes.

A third alternative to the industry demand projection was developed which adopted the company specific growth experiences of calendar year 2011 and applied those results to calculate the demand estimate for the 2013-2014 funding year. The result

of this analysis produced a demand result in excess of 825 million minutes, which is considered to be unrealistic and unacceptable.

The Administrator recommends that each of these alternative demand projections should be considered in light of the *Order and Notice of Proposed Rulemaking* adopted on January 24, 2013,<sup>44</sup> In this Order the Commission found good cause to adopt without notice and comment interim rules (1) prohibiting all referrals for rewards programs and any other form of direct or indirect inducements, financial or otherwise, to subscribe to or use, or encourage subscription to or use of, IP CTS; (2) requiring each IP CTS provider, in order to be eligible for compensation from the Fund for providing service to new IP CTS users, (i) to register each new IP CTS user, (ii) as part of the registration process, to obtain from each user a self-certification that the user has a hearing loss that necessitates IP CTS to communicate in a manner that is functionally equivalent to communication by conventional voice telephone users, and (iii) where the consumer accepts IP CTS equipment at a price below \$75 from any source other than a governmental program, to also obtain from the user a certification from an independent, third party professional attesting to the same; and (3) requiring IP CTS providers to ensure that equipment and software used in conjunction with their service have a default setting of captions off at the beginning of each call, so that the consumer must take an affirmative step to turn on the captions each time the consumer wishes to use IP CTS.

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<sup>44</sup> See Order and Notice of Proposed Rulemaking, CG Docket No. 13-24 Misuse of Internet Protocol (IP) Captioned Telephone Service and CG Docket No. 03-123 Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities, FCC 13-13, adopted January 24, 2013, Rel. January 25, 2013.

The interim rules took effect in three stages. First, the interim rules prohibiting referrals for rewards became effective upon publication in the Federal Register. Second, the interim rules requiring a default setting of captions off at the beginning of each call became effective thirty days after publication in the Federal Register. Third, the interim rules on registration and certification became effective upon publication in the Federal Register of a notice announcing the approval of such requirements by the Office of Management and Budget under the Paperwork Reduction Act of 1995.<sup>45</sup> These interim rules will sunset on a common date, which will be either (1) 180 days after the effective date of the interim rules on registration and certification or (2) the effective date of final rules on these issues, whichever date comes sooner. The 180 days will run from March 7, 2013 and will expire approximately one quarter after the beginning of the 2013-2014 program year, and may not be applicable for up to three quarters of the 2013-2014 program year, without further action by the Commission.

In light of the recently adopted interim measures, RLSA does not expect that any of the above demand projections will produce an accurate reflection of demand during the 2013-2014 funding year. Absent adoption of those measures, RLSA would have recommend alternative two above (approximately 409 million minutes) as the reasonable estimate of demand, based largely on the accuracy of its use over the past six months. However, we believe that is reasonable to recognize that there will be a potential impact of the interim rules on the ability of providers to continue to successfully generate additional growth, by adding additional subscribers at the rate which they have accomplished over the past two years, in view of the prohibition against certain

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<sup>45</sup> Pub. L. No. 104-13, 109 Stat. 163 (May 22, 1995), *codified at* 44 U.S.C. § 3501 *et seq.*

marketing practices, and in view of allegations of customer dissatisfaction with the ‘default captions off’ requirement of the interim rule. We also believe that it is reasonable to mitigate the potential impact of the interim rules based on the interim and potentially short lived tenure of those provisions and conclude that option two (approximately 409 million minutes) described above, represents the valid projection of demand for the 2013-2014 funding year. Additionally, in view of the wide discrepancy between the demand projections, RLSA plans to continually monitor the demand projections for each of the services throughout the 2013-2014 funding year. On a quarterly basis, RLSA intends to submit reports to the Commission regarding the results of actual operations, and make recommendations, as appropriate to the Commission, regarding the accuracy of the demand projection and any anticipated impact on the Fund balance.

## **V. Additional Funding Requirements**

### **A. iTRS Data Base Administration**

In the *TRS Numbering Order* the Commission adopted a system for assigning users of internet-based Telecommunications Relay Services (TRS), specifically VRS and IP Relay, ten-digit telephone numbers linked to the North American Numbering Plan. In that *Order*, the Commission identified the types of costs that are compensable from the interstate TRS Fund.

The Commission also determined that the start-up expenses related to the database and the administration of the database should be compensated by the Fund. The *Commission authorized the TRS Fund Administrator to pay the reasonable costs of*

providing necessary services consistent with this *Order* directly to the database administrator.<sup>46</sup>

The Administrator projected that the 2012-2013 Fund year compensation for the iTRS data base Administrator would be \$415 Thousand. RLSA recommends the same amount be included in the 2013-2014 Fund year.

#### B. Deaf-Blind Equipment Distribution Program

In its April 6, 2011 Order, the Commission established a National Deaf-Blind Equipment Distribution Program (“NDBEDP”) to certify and provide funding to entities in each state so that they can distribute specialized customer premises equipment (“CPE”) to low-income individuals who are deaf-blind.<sup>47</sup> Funding for this program has been established at \$10 million per year beginning with the 2012 – 2013 Fund year. As such, \$10 million has been included in the Interstate TRS Funding Requirement for the 2013-2014 Fund year.

#### C. TRS Fund Administrator Expenses

Beginning July 1, 2011 the Interstate TRS Fund Administrator will be compensated based on a fixed price contract similar to that of the iTRS data base administrator. For the 2013-2014 fund year, the projected TRS Fund Administrator expenses are currently \$1,110 thousand.

#### D. Revenue Data Collection Agent Expense

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<sup>46</sup> TRS Numbering Order at 101

<sup>47</sup> *Implementation of the Twenty-First Century Communications and Video Accessibility Act of 2010, Section 105, Relay Services for Deaf-Blind Individuals*, Report and Order, CG Docket No. 10-210, Adopted April 4, 2011

Prospectively, the revenue data collection agent (DCA) and its functions associated with processing the revenue information to determine TRS Fund contributors are to be separately identified from the TRS Fund administrator's costs. The DCA invoices the TRS Fund for 8% of Data Collection costs. For the 2013 – 2014 fund year, the DCA costs are projected to be \$60 thousand.

#### E. Interstate TRS Advisory Council Expenses

Expenses incurred as a result of the Interstate TRS Advisory Council holding a minimum of two meetings annually as required by the Commission's rules<sup>48</sup> are now separately identified from the TRS Fund Administrator's expenses. For the 2013 – 2014 Fund year, these expenses are projected to be \$45 thousand.

#### F. Investment Expense

The Program Administrator has entered into a Non-Custody Investment Advisory Agreement in which the Investment Advisor will direct the investment, reinvestment and changes in the investment of the TRS Fund Account, manage the Qualified Investments and use its best efforts to invest all Escrow Funds in compliance with the FCC letter dated June 20, 2011 (DA 11-1069) regarding the Investment of Telecommunications Relay Service Funds. This Agreement will provide transparency to the costs associated with managing the investments of the Fund. Investment expenses for the 2013-2014 Fund year are estimated to be \$150 thousand.

#### G. Service Provider Audits

The TRS Fund Administrator's audit plan, applicable to service providers' compliance with the provisions of 47 C.F.R. 64.604 by independent audit firms, has been

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<sup>48</sup> 47 C.F.R. § 64.604(c)(5)(iii)(H)

approved and initiated subject to competitive bid. The Administrator anticipates a funding requirement of \$3.0 million for the audit of service providers during the 2013-2014 Fund year.

#### H. IPERA

In response to a directive from the FCC, the Administrator developed a plan to establish a baseline error rate for payment from the TRS Fund based on a Memorandum from the Office of Management and Budget (OMB) to Heads of Executive Agencies, *Issuance of revised Parts I and II to Appendix C of OMB Circular A-123 (April 14, 2011) and Part III to OMB Circular A-123, Appendix C*. The Administrator anticipates a funding requirement of \$25 thousand for compliance with this directive to expand on the plan during the 2013-2014 fund year, and a funding requirement of \$75 thousand to implement the testing provisions of the approved plan.

#### I. Bankruptcy Representation

During the 2011-2012 Fund year the Administrator found it necessary, with the prior approval of the Commission, to retain outside council to represent the interests of the Fund in various Bankruptcy proceedings. The Administrator anticipates a funding requirement of \$50 thousand for legal representation, subject to Commission prior approval of such legal representation, in bankruptcy matters during the 2013-2014 fund year.

#### J. Audit Expense

An audit fee for services of an independent certified public accountant to examine the Interstate Telecommunications Relay Services Fund's annual financial statements was separately identified and included in the 2011-212 Fund year. However the



independent audit was conducted as part of the independent audit of the FCC. RLSA recommends that the 2013 – 2014 fund year expenses include an allowance to conduct an independent audit of the TRS Fund separate from the independent audit of the FCC. The independent audit is to be competitively bid and is projected to be \$60 thousand.

## **VI. Contribution Factor Calculation**

Collectively, the six relay services produce a funding requirement of \$1,507.9 million. Additional fund requirements increase the total requirements by \$15 million. Interest on invested funds for the July 2013 – June 2014 period is projected to be approximately \$503 thousand and is used to offset on-going fund requirements.

Historically, the Administrator has recommended that the TRS Fund include an additional component to protect the Interstate TRS program from running short of available funds before the end of the TRS Fund period. In its *2009 and 2010 Rate Orders*, the Commission accepted the Administrator's recommendation to include a surplus of one month's projected distributions to providers be included in the funding requirement.<sup>49</sup> The Administrator recommends for the 2013-2014 funding year the continued use of a surplus of one month's projected distributions to providers, \$119.6 million, be included in the funding requirement.<sup>50</sup> It is anticipated that there will be a surplus of approximately \$99.0 million, at June 30, 2013 and earnings on invested funds will be approximately \$503 thousand.

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<sup>49</sup> Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities, Order, CG Docket No. 03-123, 23 FCC Rcd 9976 (2008 Rate Order ) at n. 56

<sup>50</sup> One month's average distribution equates to approximately 8.2% which is less than the 10% surplus approved in prior funding years.

The total projected funding requirement for the 2013-2014 funding year is estimated to be \$1,543.6 million. The component parts of the projected funding requirement are displayed in Exhibit 2.

Based on the 2013-2014 demand projections and the proposed rates contained herein coupled with the calendar year 2012 revenue base, the Administrator estimates that the contribution factor will need to be 0.0233.

## **VII. Program Administration**

### **A. Interstate TRS Fund Advisory Council Report**

Pursuant to section 64.604 of the Commission's rules, the Advisory Council advises the Administrator on interstate TRS cost recovery matters.<sup>51</sup> The Advisory Council includes non-paid volunteers from the hearing and speech disability community, TRS users (voice and text telephone), state regulators and relay administrators, interstate service providers, and TRS providers. Appendix E contains a listing of current Advisory Council members.<sup>52</sup>

On October 25, 2012 the Advisory Council met to consider the interim status of the Fund and discuss preparations for the April meeting to review the results of the annual data collection and the anticipated budget recommendation for Funding year 2013-2014. During that meeting the Council established two committees to conduct monthly conference calls with the Administrator. One committee is comprised of interested service providers and the second committee is comprised of a broader based group of members representing contributors, users, state program officials and providers.

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<sup>51</sup> 47 C.F.R. § 64.604 (c)(5)(iii)(H).

<sup>52</sup> In a July 1999 Order, the FCC authorized the addition of a position in the hearing and speech disability community category for a representative from the speech disability community. *See Appointment of the Telecommunications Relay Services (TRS) Fund Administrator and Composition of the Interstate TRS Advisory Council*, CC Docket No. 90-571, Memorandum Opinion and Order, 14 FCC Rcd 10553 (1999).

Both monthly call scenarios have proven helpful to the Administrator in reaching the recommendations contained in this Annual Report and Recommendation.

On April 16, 2013, the Advisory Council met to review the proposed MARS and IP reimbursement rates, for the July 2013 – June 2014 funding period prior to submission of the filing to the FCC by May 1, 2013. The Administrator presented the results of the annual TRS provider data collection and proposed compensation rates for each service based on the TRS Cost Recovery Order to the Advisory Council. The Administrator presented preliminary proposed compensation rates for each non-VRS service and demand projections to the Advisory Council.<sup>53</sup>

## **B. Audit Report**

Included in Appendix G are copies of the TRS Fund Performance Status Reports for the period ended July, 2012, through March 2013. The Commission Fiscal Year audit of the period October 2012 – September 2013, began in March 2012 and the financial statements are expected to be submitted to the Commission in late December 2013.

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<sup>53</sup> Minutes for the April 16, 2013 meeting will not be available until they have been reviewed and approved by the Advisory Council at its fall 2013 meeting.

## **Appendices:**

- Appendix A ----** Interstate TRS Fund 2012 Intrastate Rate and Minute Data for MARS Methodology (State Data Collection Form & Instructions)
- Appendix B ----** Interstate TRS Fund Annual Provider Information (Provider Data Collection Form & Instructions)
- Appendix C ----** TRS & STS Intrastate Rate Data for prior year
- Appendix D ----** CTS Intrastate Rate Data for prior year
- Appendix E ----** Current Advisory Council Members
- Appendix F ----** TRS Council meeting Minutes
- Appendix G ----** TRS Fund Performance Reports July 2012 – March 2013

## **Exhibits:**

- Exhibit 1-1 ----** Displays TRS & STS data collected from states for the Interstate MARS rate calculation.
- Exhibit 1-2 ----** Displays CTS data collected from states for the Interstate MARS rate calculation.
- Exhibit 1-3 ----** Displays IP Relay Average Cost per Minute and Demand data
- Exhibit 1-4 ----** Displays IP CTS Historical and Projected Demand and Cost Data
- Exhibit 2 ----** Displays the proposed Interstate TRS Fund Size and Contribution Factor for the July 2013 through June 2014 Fund Year.
- Exhibit 3 ----** Anticipated Reporting and Related Distribution Schedule.

## Rate and Demand

*Additional Costs Paid to Provider for Calendar Year 2012*

[illegible]

# *Interstate TRS Fund*

## **2012 Annual State Rate Data Request**

### **Filing Instructions**

This document and the forms are available on our website at [www.r-l-s-a.com/trs](http://www.r-l-s-a.com/trs).

Should you have any questions about these instructions or completion/content of the forms, please contact Bob Loube at 301-681-0338 or [rloube@r-l-s-a.com](mailto:rloube@r-l-s-a.com). Questions about the submission of this data request can be made to Matt Saltzer at [msaltzer@r-l-s-a.com](mailto:msaltzer@r-l-s-a.com) or call 717-237-6748.

### **Filing Requirements / Schedule / File Preparation**

Form required of all states and US territories:

- Rate and Demand

Form to be completed as appropriate:

- Additional Costs Paid to Provider

Filing deadline:

All forms must be emailed to [msaltzer@r-l-s-a.com](mailto:msaltzer@r-l-s-a.com) on or before February 22, 2013.

Naming your file:

Each Excel workbook must be saved and submitted as a whole collection of completed data forms using this filing naming template: **xx\_2013\_Annual\_v.xls**, **example: PR\_2013\_Annual\_0.xls**

- |    |   |
|----|---|
| xx | Represents an abbreviation of the state or US territory (ie. PA, DC, PR)  |
| v  | Represents a single digit for the version of the filing. The first filing submitted for the carrier should be 0. <b>If the file is being replaced for some reason, increment by 1 each time a replacement file is created for submission.</b> |

### **General Information**

On November 19, 2007, the Federal Communications Commission released a Report and Order (FCC 07-186) adopting new cost recovery methodologies for the various forms of TRS. For traditional TRS, STS, and CTS, the Commission adopted the

MARS Plan. One MARS rate is calculated that applies to Interstate TRS and STS, and one MARS rate is calculated that applies to Interstate CTS (and currently all IP CTS).

Under the MARS plan each January the Fund Administrator will request each state TRS administrator, and each provider of TRS, STS, and CTS to provide the following data for the previous calendar year: (1) per-minute compensation rates for intrastate traditional TRS, STS, and CTS; (2) whether the rate applies to session minutes or conversation minutes; (3) the number of intrastate session minutes for traditional TRS, STS, and CTS; and (4) the number of intrastate conversation minutes for traditional TRS, STS, and CTS. If the contractual per-minute compensation rate does not include all of the costs paid by the state to the provider for the relay service, the state should also list other amounts paid to the provider during the relevant calendar year. All information submitted will be considered by RLSA to be confidential.

The intrastate minutes also include allocated 800-number, 900-number, and inbound two-line CTS minutes allocated as intrastate minutes (FCC DA 08-1476 ¶15). These allocated intrastate minutes must be included in the MARS calculation to ensure the rate reflects all intrastate minutes compensated by the states.

## Completing the 'Rate and Demand' Worksheet

Per the Commission Report and Order FCC 07-186, each state TRS administrator and each provider of interstate TRS and STS is to provide the following data for the previous calendar year: per-minute compensation rates for intrastate traditional TRS and STS; whether the rate applies to session minutes or conversation minutes; the number of intrastate session minutes for traditional TRS and STS; and the number of intrastate conversation minutes for traditional TRS and STS.

Per the Commission Report and Order FCC 07-186, each state administrator and each provider of CTS is to provide the following data for the previous calendar year: per-minute compensation rates for intrastate CTS; whether the rate applies to session minutes or conversation minutes; the number of intrastate session minutes for CTS; and the number of intrastate conversation minutes for CTS.

### Header Instructions:

1. **Jurisdiction:** Enter the two character abbreviation for the state or territory being reported. (such as "PR", "VI", "DC", etc.)
2. **Prepared By:** Enter the name of the person responsible for the content of this report.
3. **Telephone:** Enter the telephone number, including an extension if appropriate, of the person named in step 2.
4. **Email Address:** Enter the email address of the person named in step 2.



Column Instructions: (Note that the jurisdiction column will complete automatically once a service type and provider have been entered.)

1. **Service Type:** Either select the service type using the drop down list or type either "TRS", "STS" or "CTS".
2. **Provider:** Enter the name of the service provider.
3. **Rate Start Date:** Enter a valid date including month, day and year when the contract rate became effective (such as "3/1/2006"). Note: Only rates that were in affect at some point during 2012 are to be reported.
4. **Rate End Date:** Enter a valid date including month, day and year when the contract rate terminates (such as "9/30/2014"). Note: Only rates that were in affect at some point during 2012 are to be reported.
5. **Conversation Rate:** Enter the per-minute compensation rate when the compensation rate is based upon actual intrastate conversation minutes (such as "4.52"). The currency format is already configured within the form and therefore, a dollar sign should not be typed.
6. **Session Rate:** Enter the per-minute compensation rate when the compensation rate is based upon actual intrastate session minutes (such as "4.52"). The currency format is already configured within the form and therefore, a dollar sign should not be typed.
7. **Conversation Minutes:** Enter the total intrastate conversation minutes for the period in which the rate was effective during the calendar year 2012.
8. **Session Minutes:** Enter the total intrastate session minutes for the period in which the rate was effective during the calendar year 2012.

## Completing the 'Additional Costs Paid to Provider' Worksheet

Please identify any additional incentives or services that the state paid for or provided during the calendar year 2012. The payments for these services are in addition to revenue received by the provider through the the per-minute compensation rate.

Column Instructions: (Note that the jurisdiction column will complete automatically once a service type and provider have been entered.)

1. **Provider:** Enter the name of the service provider.
2. **Service Type:** Either select the service type using the drop down list or type either "TRS", "STS" or "CTS".

3. **Rate Start Date:** Enter a valid date including month, day and year when the rate being reported began (such as “3/1/2006”).
4. **Rate End Date:** Enter a valid date including month, day and year when the rate being reported terminates (such as “9/30/2014”).
5. **Amount:** Enter the amount of additional costs paid to the provider. The currency format is already configured within the form and therefore, a dollar sign should not be typed.
6. **Description:** Describe the type of cost or incentive paid to the provider.

Questions:

**Q:** \_\_\_\_\_ is somewhat unique among states as we pay a monthly TRS rate based on center operating costs, not a per minute compensation rates as requested. How do I best capture that information on the form for you to use?

**A:** Do not complete the rate portion of the “rate and demand” form because it obviously does not apply to this situation. We are also interested in the amount of TRS demand in \_\_\_\_\_, so please enter the number of minutes, if possible.

In the form, “Add. Cost Paid to Provider”, please complete this form. In the “amount” column, enter the annual amount paid to the provider. However, if the rate was established for a portion of the year, enter the amount paid for that portion. Indicate in the rate start and end date columns, the portion of the year that the rate was in effect. Use a separate row each time the rate changed.

**Q:** Our rate for STS is included in the monthly TRS rate. Do I list STS on the form separately, or note that the monthly TRS rate includes STS in the "provider" column?

**A:** In the “description” column, explain how the compensation is determined in \_\_\_\_\_. If STS and TRS are combined, indicate that. Do not try to make an artificial separation of the payments if there is no basis for the separation. However, if you know the costs for TRS separately from the costs of STS, you can provide that information in the description column.

# Interstate TRS Fund

## Annual Provider Information

Provider Name	
Contact Name	
Contact Email Address	
Contact Telephone	
For signature at the bottom of this form:	
Senior Officer Name	
Senior Officer Title	

To assist RLSA in understanding your data, in the box below, please summarize any service changes/activities/improvements since the 2011-2012 filing, or planned for tariff year 2012-2013 (July thru June), that caused/may cause substantial changes in cost and/or demand data. Include the methodology used to determine the projected minutes for calendar years 2012 and 2013. Examples: addition of a state; loss of a state contract; increase in volumes due to specific outreach program; call volume decrease due to use of internet or other non-TRS technology; decrease in minutes due to new, time saving technology; changes in volumes due to abnormal weather conditions; etc. Include any characteristics unique to a particular service or changes in the relay services marketplace as a whole.

Should you have questions about completing or submitting these forms, please see the filing instructions.

I swear under penalty of perjury that I am \_\_\_\_\_, \_\_\_\_\_, an officer of the above-named reporting entity and that I have examined the foregoing reports and that all requested information has been provided and all statements of fact, are true and accurate.

<div style="border: 1px solid black; height: 25px; width: 100%;"></div>	<div style="border: 1px solid black; height: 25px; width: 100%;"></div>
Signature	Date

[illegible]

*Additional Provider-Paid Costs for Calendar Year 2012*

[illegible]

[illegible]

# Interstate TRS Fund

Rolka Loube Saltzer Associates

## Video Relay Services Expense and Capital Investments Data

Provider:	Actuals		Projection	
	2011	2012	2013	2014
<b>A. Annual Recurring Fixed / Semi-Variable Expenses</b>				
1. Rent				
2. Utilities				
3. Building Maintenance				
4. Property Tax (if owned)				
5. Furniture (if leased)				
6. Office Equipment (if leased)				
<b>Total</b>	\$ -	\$ -	\$ -	\$ -
<b>B. Annual Recurring Variable Expenses (Direct TRS Operating Expenses)</b>				
1. Salaries & Benefits (Relay Center: Non - Management)				
2. Salaries & Benefits (Relay Center: Management)				
3. Salaries & Benefits (Relay Center Staff)				
4. Telecommunications Expenses				
5. Billing Expenses				
6. Relay Center Expenses				
<b>Total</b>	\$ -	\$ -	\$ -	\$ -
<b>C. Annual Administrative Expenses</b>				
1. Finance/Accounting				
2. Legal/Regulatory				
3. Engineering				
4. Research and Development				
5. Operations Support				
6. Human Resources				
7. Billing				
8. Contract Management				
9. Risk Management				
10. Other Corporate Overheads				
<b>Total</b>	\$ -	\$ -	\$ -	\$ -
<b>D. Annual Depreciation Associated with Capital Investment</b>				
1. Furniture & Fixtures				
2. Telecommunications Equipment				
3. Leasehold				
4. Software				
5. Other Capitalized				
<b>Total</b>	\$ -	\$ -	\$ -	\$ -
<b>E. Other TRS Expenses</b>				
1. Marketing/Advertising Expenses				
2. Outreach Expenses				
3. Sub Contractor Expenses				
4. Software				
5. Customer Premise Equipment				
6. Other				
<b>Total</b>	\$ -	\$ -	\$ -	\$ -
<b>F. Capital Investments</b>				
1. Furniture & Fixtures				
2. Telecommunications Equipment				
3. Leasehold				
4. Software				
5. Other Capitalized				
<b>Total</b>	\$ -	\$ -	\$ -	\$ -
<b>G. Costs Associated with E911 and Numbering with Internet-Based Telecommunications Relay Services</b>				

# Interstate TRS Fund

Rolka Loube Saltzer Associates

## IP Relay Services Expense and Capital Investments Data

Provider:	Actuals		Projection	
	2011	2012	2013	2014
<b>A. Annual Recurring Fixed / Semi-Variable Expenses</b>				
1. Rent				
2. Utilities				
3. Building Maintenance				
4. Property Tax (if owned)				
5. Furniture (if leased)				
6. Office Equipment (if leased)				
<b>Total</b>	\$ -	\$ -	\$ -	\$ -
<b>B. Annual Recurring Variable Expenses (Direct TRS Operating Expenses)</b>				
1. Salaries & Benefits (Relay Center: Non - Management)				
2. Salaries & Benefits (Relay Center: Management)				
3. Salaries & Benefits (Relay Center Staff)				
4. Telecommunications Expenses				
5. Billing Expenses				
6. Relay Center Expenses				
<b>Total</b>	\$ -	\$ -	\$ -	\$ -
<b>C. Annual Administrative Expenses</b>				
1. Finance/Accounting				
2. Legal/Regulatory				
3. Engineering				
4. Research and Development				
5. Operations Support				
6. Human Resources				
7. Billing				
8. Contract Management				
9. Risk Management				
10. Other Corporate Overheads				
<b>Total</b>	\$ -	\$ -	\$ -	\$ -
<b>D. Annual Depreciation Associated with Capital Investment</b>				
1. Furniture & Fixtures				
2. Telecommunications Equipment				
3. Leasehold				
4. Software				
5. Other Capitalized				
<b>Total</b>	\$ -	\$ -	\$ -	\$ -
<b>E. Other TRS Expenses</b>				
1. Marketing/Advertising Expenses				
2. Outreach Expenses				
3. Sub Contractor Expenses				
4. Software				
5. Customer Distributed Equipment				
6. Other				
<b>Total</b>	\$ -	\$ -	\$ -	\$ -
<b>F. Capital Investments</b>				
1. Furniture & Fixtures				
2. Telecommunications Equipment				
3. Leasehold				
4. Software				
5. Other Capitalized				
<b>Total</b>	\$ -	\$ -	\$ -	\$ -
<b>G. Costs Associated with E911 and Numbering with Internet-Based Telecommunications Relay Services</b>				



# Interstate TRS Fund

Rolka Loube Saltzer Associates

## IP CTS Services Expense and Capital Investments Data

Provider:	Actuals		Projection	
	2011	2012	2013	2014
<b>A. Annual Recurring Fixed / Semi-Variable Expenses</b>				
1. Rent				
2. Utilities				
3. Building Maintenance				
4. Property Tax (if owned)				
5. Furniture (if leased)				
6. Office Equipment (if leased)				
<b>Total</b>	\$ -	\$ -	\$ -	\$ -
<b>B. Annual Recurring Variable Expenses (Direct TRS Operating Expenses)</b>				
1. Salaries & Benefits (Relay Center: Non - Management)				
2. Salaries & Benefits (Relay Center: Management)				
3. Salaries & Benefits (Relay Center Staff)				
4. Telecommunications Expenses				
5. Billing Expenses				
6. Relay Center Expenses				
<b>Total</b>	\$ -	\$ -	\$ -	\$ -
<b>C. Annual Administrative Expenses</b>				
1. Finance/Accounting				
2. Legal/Regulatory				
3. Engineering				
4. Research and Development				
5. Operations Support				
6. Human Resources				
7. Billing				
8. Contract Management				
9. Risk Management				
10. Other Corporate Overheads				
<b>Total</b>	\$ -	\$ -	\$ -	\$ -
<b>D. Annual Depreciation Associated with Capital Investment</b>				
1. Furniture & Fixtures				
2. Telecommunications Equipment				
3. Leasehold				
4. Software				
5. Other Capitalized				
<b>Total</b>	\$ -	\$ -	\$ -	\$ -
<b>E. Other TRS Expenses</b>				
1. Marketing/Advertising Expenses				
2. Outreach Expenses				
3. Sub Contractor Expenses				
4. Software				
5. Customer Distributed Equipment				
6. Other				
<b>Total</b>	\$ -	\$ -	\$ -	\$ -
<b>F. Capital Investments</b>				
1. Furniture & Fixtures				
2. Telecommunications Equipment				
3. Leasehold				
4. Software				
5. Other Capitalized				
<b>Total</b>	\$ -	\$ -	\$ -	\$ -
<b>G. Costs Associated with E911 and Numbering with Internet-Based Telecommunications Relay Services</b>				

# Interstate TRS Fund

## Annual VRS Demand Data

Provider:

### Interstate Video Relay Service (VRS) Conversation Minutes

	Actuals		Projected	
	2011	2012	2013	2014
January				
February				
March				
April				
May				
June				
July				
August				
September				
October				
November				
December				

# Interstate TRS Fund

## Annual IP Relay Demand Data

Provider:

Interstate Internet Protocol Relay (IP-Relay) Conversation  
Minutes

	Actuals		Projected	
	2011	2012	2013	2014
January				
February				
March				
April				
May				
June				
July				
August				
September				
October				
November				
December				

# *Interstate TRS Fund*

## **Annual IP CTS Demand Data**

**Provider:**

**Interstate Internet Protocol Captioned Telephone Service (IP  
CTS) Conversation Minutes**

	Actuals		Projected	
	2011	2012	2013	2014
January				
February				
March				
April				
May				
June				
July				
August				
September				
October				
November				
December				

# *Interstate TRS Fund*

## **Annual TRS Provider Data Request Filing Instructions**

This document and the forms are available through our **Extranet Portal** at <https://extranet.r-l-s-a.com:24349>. The portal requires a username and password, which are provided by RLSA. One user name and password are provided per company, to the primary and secondary contacts supplied to RLSA on a signed form (see form entitled "Notice of Service Provider Participation"). Should further distribution of that authentication information be warranted within your company, it is your option and responsibility to provide that authentication information only to those who you authorize to access the system. **RLSA cannot be responsible for unauthorized use of those credentials.**

### **Login or Password Issue**

If the password for your account needs to be changed at any point, please contact RLSA at 717-237-6748 or [msaltzer@r-l-s-a.com](mailto:msaltzer@r-l-s-a.com) for assistance. The request must come from either of the two previously provided points of contact.

Submissions must be made through our Extranet Portal at <http://extranet.r-l-s-a.com>. This Internet site offers the latest forms, instructions, filing schedule, announcements and a record of each uploaded file and when it was submitted. The file exchange portion of the site is confidential and secured. Should you have any questions about using the site, please contact [msaltzer@r-l-s-a.com](mailto:msaltzer@r-l-s-a.com) or call 717-237-6748. Secondary contact information: [trs@r-l-s-a.com](mailto:trs@r-l-s-a.com) or 717-231-6669. Login information has been and will be provided only to the company's primary and secondary contacts as provided on the "Notice of Service Provider Participation" form.

## **Filing Requirements / Schedule / File Preparation**

Forms required of all providers:

- Basics,
- Intrastate Rate and Minute Data for MARS Methodology

Forms to be completed as appropriate:

- Additional Provider-Paid Costs,
- Additional Costs Paid to Provider
- Video Relay Services Expense and Capital Investments Data
- IP Relay Services Expense and Capital Investments Data
- IP CTS Services Expense and Capital Investments Data
- Annual IP Relay, IP CTS and VRS Demand Data

Filing deadline:

All forms must be uploaded on or before February 22, 2013.

Naming your file:

Each Excel workbook must be saved and submitted as a whole collection of completed data forms using this filing naming template: **xxxxxx\_2013\_Annual\_v.xlsx** or **xxxxxx\_2013\_Annual\_v\_cccc.xlsx**

**xxxxxx** Represents the 6 digits of the provider's filer ID

**v** Represents a single digit for the version of the filing. The first filing submitted for the carrier should be 0. **If the file is being replaced for some reason, increment by 1 each time a replacement file is created for submission.**

**cccc** OPTIONAL: Represents a variable length text string to identify the name of a subcontractor for which the workbook reports data. Spaces are acceptable but some special characters are not. Normal file naming character selections/restrictions apply. Subcontractor data should be compiled and supplied separately from data directly related to the certified provider responsible for responding to this data request. If subcontractor data is supplied, a separate text file should be prepared and submitted which shall contain an index to identify subcontractor's full name if an abbreviation is used within the workbook's file name. That index file should be named using the format **xxxxxx\_2013\_Annual-Index\_v.txt**.

Questions about the completion of this data request can be made to Matt Saltzer at [msaltzer@r-l-s-a.com](mailto:msaltzer@r-l-s-a.com) or call 717-237-6748.

## General Information

On November 19, 2007, the Commission released a Report and Order (FCC 07-186) adopting new cost recovery methodologies for the various forms of TRS. The Order also clarified the nature and extent that certain categories of costs are compensable from the Fund.

The Order also provided that:

- Indirect overhead costs are not reasonable costs of providing TRS. Appropriate overhead costs are those costs directly related to, and directly support, the provision of relay service. Indirect overhead costs may not be allocated to TRS by an entity that provides services other than TRS based on the percentage of the entity's revenues that are derived from the provision of TRS. (FCC 07-186, ¶¶74-75).

- Start-up expenses are compensable, but must be amortized in accordance with generally accepted accounting rules (FCC 07-186, ¶¶76-77).

- All costs submitted must directly support the provision of relay service (FCC 07-186, ¶¶75).

- Reasonable executive compensation for persons who directly support the provision of TRS is compensable from the Fund (FCC 07-186, ¶¶79). For example, if executives of a company that provides a variety of services in addition to TRS do not personally work on TRS issues, no part of their salaries can be included in the company's TRS cost submission (FCC 07-186, ¶¶75).

- Financial transaction costs or fees unrelated to the provision of relay service are not compensable as reasonable costs of providing service. Such costs include costs and fees relating to a change in ownership of the entity providing relay service, the sale of the entity, the spinoff of part of the entity, or any other transaction directed at the ownership, control, or structure of the relay provider (FCC 07-186, ¶¶80).

- Costs attributable to relay hardware and software used by the consumer, including installation, maintenance costs, and testing are not compensable from the Fund. Compensable expenses do not include expenses for customer premises equipment – whether for the equipment itself, equipment distribution, or installation of the equipment or necessary software (FCC 07-186, ¶¶82). Any information requested is for informational purposes only.

- Do not include profit or tax allowances in expenses. (FCC 04-137, ¶¶179-182)

- Only expenses to meet the non-waived mandatory minimum standards should be included. (FCC 04-137, ¶¶188-190)

- Capital investment data, if applicable, must be submitted by service. (FCC 04-137, ¶¶177-182)

- If depreciated expenses are reported, the year end net book value of the capital investment from which depreciation was computed must be reported in Section F.

- STS providers must include a report detailing specific outreach efforts directly attributable to the additional support for STS outreach

- The following costs are not compensable from the fund:

- Costs associated with an Internet-based TRS consumers' acquisition of a ten-digit geographic telephone number
- Costs associated with an Internet-based consumers' acquisition and usage of a toll free telephone number

- E911 charges imposed on TRS providers under a state or local E911 funding mechanism. (FCC 08-275, ¶¶47-56)

All reasonable expenses of providing eligible relay services, whether as part of a state-contracted service or a stand-alone service, are reportable.

## Completing the 'Basics' Worksheet

1. **ID & Provider Name:** In the first white box, select your company name from the drop down list.
2. **Contact Name:** Enter the name of the person who prepared the reported information. This person will be contacted by RLSA if there are any questions or problems with the submission.
3. **Contact Email Address:** Enter the email address of the person identified in step 2.
4. **Contact Telephone:** Enter the telephone number of the person identified in step 2, including area code and any appropriate extension number.
5. **Explanation of Changes:** In the next box, enter, as per the on-form instructions, details about changes since your last filing and/or plans for change for the upcoming tariff year 2013-2014 (July – June).

## Completing the 'Rate and Minute Data' Worksheet

Per the Commission Report and Order FCC 07-186, each provider of interstate TRS and STS is to provide the following data for the previous calendar year: per-minute compensation rates for intrastate traditional TRS and STS; whether the rate applies to session minutes or conversation minutes; the number of intrastate session minutes for traditional TRS and STS; and the number of intrastate conversation minutes for traditional TRS and STS.

Column Instructions:

1. **Provider:** This information will automatically be populated with the provider's 6-digit ID selected within the Basics sheet after the Service Type and the Jurisdiction columns are completed.
2. **Service Type:** Either select the service type using the drop down list or type either "TRS", "STS" or "CTS".
3. **Jurisdiction:** Enter the appropriate state or territory (such as "Puerto Rico", "PR", "VI", "Guam", etc.)



4. **Rate Start Date:** Enter a valid date including month, day and year when the contract being reported began (such as “3/1/2006”).
5. **Rate End Date:** Enter a valid date including month, day and year when the contract being reported terminates (such as “9/30/2014”).
6. **Conversation Rate:** Enter the per-minute compensation rate when the compensation rate is based upon actual intrastate conversation minutes (such as “4.52”). The currency format is already configured within the form and therefore, a dollar sign should not be typed. If the compensation is not per minute, record the compensation information in the form “Additional Costs Paid to Provider”.
7. **Session Rate:** Enter the per-minute compensation rate when the compensation rate is based upon actual intrastate session minutes (such as “4.52”). The currency format is already configured within the form and therefore, a dollar sign should not be typed. If the compensation is not per minute, record the compensation information in the form “Additional Costs Paid to Provider”.
8. **Conversation Minutes:** Enter the total intrastate conversation minutes for the period in which the rate was effective during the calendar year 2012.
9. **Session Minutes:** Enter the total intrastate session minutes for the period in which the rate was effective during the calendar year 2012.

## Completing the ‘Additional Provider-Paid Costs’ Worksheet

Please identify any incentives or services that the TRS provider paid for or provided, during calendar year 2012, that the state was not required to pay for.

Column Instructions:

1. **Provider:** This information will automatically be populated with the provider’s 6-digit ID selected within the Basics sheet after the Service Type and the Jurisdiction columns are completed.
2. **Service Type:** Either select the service type using the drop down list or type either “TRS”, “STS” or “CTS”.
3. **Jurisdiction:** Enter the appropriate state or territory (such as “Puerto Rico”, “PR”, “VI”, “Guam”, etc.)
4. **Rate Start Date:** Enter a valid date including month, day and year when the contract being reported began (such as “3/1/2006”).

5. **Rate End Date:** Enter a valid date including month, day and year when the contract being reported terminates (such as “9/30/2014”).
6. **Amount:** Enter the amount of provider-paid costs. The currency format is already configured within the form and therefore, a dollar sign should not be typed.
7. **Description:** Describe the type of cost or incentive paid for by the provider.

## Completing the ‘Additional Costs Paid to Provider’ Worksheet

If the contractual per-minute compensation rate does not include all the costs paid by the state to the provider for the relay service, enter amounts paid to the provider during 2012.

Column Instructions:

1. **Provider:** This information will automatically be populated with the provider’s 6-digit ID selected within the Basics sheet after the Service Type and the Jurisdiction columns are completed.
2. **Service Type:** Either select the service type using the drop down list or type either “TRS”, “STS”, “CTS” “IPCTS”, “IP” or “VRS”.
3. **Jurisdiction:** Enter the appropriate state or territory (such as “Puerto Rico”, “PR”, “VI”, “Guam”, etc.)
4. **Rate Start Date:** Enter a valid date including month, day and year when the contract being reported began (such as “3/1/2006”).
5. **Rate End Date:** Enter a valid date including month, day and year when the contract being reported terminates (such as “9/30/2014”).
6. **Amount:** Enter the amount of payments for 2012. The currency format is already configured within the form and therefore, a dollar sign should not be typed.
7. **Description:** Describe the type of payment by the provider for 2012.
8. **Source:** Identify the entity that provided the payment to the provider.

## Completing the 'Video Relay Services Expense and Capital Investments Data' Worksheet

Include claimed expenses attributable to providing Video Relay Services as required under Part 64 of the FCC rules, such as gathering traffic, the center itself, and handing off calls to the interexchange carrier. When reporting expenses, report all amounts in whole dollars. For the four columns: 2011, 2012, 2013 and 2014, enter Actual or Projected amounts as requested. All amounts should be traceable to the company's trial balance.

### A. Annual Recurring Fixed/Semi-Variable Expenses see Appendix 1

1. **Rent:** Annual payments solely for land and/or buildings rented for the provision of Video Relay Services.
2. **Utilities:** Expenses associated with land and buildings, such as water, sewerage, fuel, T1, trunk lines, internet connectivity, internet service, VoIP service, and power. Telephone service expenses, such as center toll free numbers, local and foreign exchange should also be included here. **Also see ITEM B. 4.**
3. **Building Maintenance:** Expenses for maintenance and repair.
4. **Property Tax (if owned):** Taxes paid on property owned and used for the provision of VRS.
5. **Furniture (if leased):** Lease or rental expenses associated with center furnishings.
6. **Office Equipment (if leased):** Lease or rental expenses associated with office equipment.

### B. Annual Recurring Variable Expenses (Direct VRS Operating Expenses)

1. **Salaries and Benefits:** Compensation to ***non-management employees (persons performing communications assistant and interpreter activities)***, such as wages, salaries, commissions, bonuses, incentive awards and termination payments; payroll related benefits paid on behalf of employees, such as pensions, savings plans, workers' compensation required by law, insurance plans (life, hospital, medical, dental, vision); and social security and other payroll taxes. **Not included in this VRS expense is the cost of "contract interpreters and/or communication assistants" who are not employees (FCC 11-118).** **ADDITIONAL DATA REQUIRED – see Appendix 1**

2. **Salaries and Benefits:** Compensation to *management employees (relay center managers & supervisors)*, such as wages, salaries, commissions, bonuses, incentive awards and termination payments; payroll related benefits paid on behalf of employees, such as pensions, savings plans, workers' compensation required by law, insurance plans (life, hospital, medical, dental, vision); and social security and other payroll taxes. **ADDITIONAL DATA REQUIRED – see Appendix 1** See discussion of executive compensation at paragraphs 78-79 of the Commission's Report and Order and Declaratory Ruling, released on November 19, 2007 (FCC 07-186).
3. **Salaries and Benefits:** Compensation to *relay center staff*, such as wages, salaries, commissions, bonuses, incentive awards and termination payments; payroll related benefits paid on behalf of employees, such as pensions, savings plans, workers' compensation required by law, insurance plans (life, hospital, medical, dental, vision); and social security and other payroll taxes. **ADDITIONAL DATA REQUIRED – see Appendix 1**
4. **Telecommunications Expenses:** Expenses associated with inspecting, testing, analyzing and correcting trouble; repairing or reporting on telecommunications plant (switching, transmission, operator, cable and wire) to determine need for repairs, replacements, rearrangements, and changes; expenses for activities, such as controlling traffic flow, administering traffic measuring and monitoring devices, assigning equipment and load balancing, collecting and summarizing traffic data, administering trunking equipment and facilities, automatic call distributor and assigning interoffice facilities and circuit layout work. **Note: expenses reported here are in addition to the telephone service expenses reported in Section A 2.**
5. **Billing Expenses:** Rating of toll messages and billing functions not recovered from other sources.
6. **Relay Center Expenses:** Expenses not included in other accounts, such as providing food services, libraries, archives, mail service, procuring office equipment, office supplies, materials and repairs.

### C. Annual Administrative Expenses

Indirect overhead costs are not reasonable costs of providing TRS. Appropriate overhead costs are those costs directly related to, and directly support, the provision of relay service. Indirect overhead costs may not be allocated to TRS by an entity that provides services other than TRS based on the percentage of the entity's revenues that are derived from the provision of TRS. (FCC 07-186, ¶74-75).

1. **Finance/Accounting:** Expenses incurred in providing accounting and financial services. Accounting services include payroll and disbursements, property accounting, capital recovery, regulatory accounting, tax accounting, auditing, capital and operating budget and control, and general accounting.

Financial services include banking operations, cash management, and benefit investment fund management, etc. **ADDITIONAL DATA REQUIRED - see Appendix 1**

2. **Legal/Regulatory:** Expenses incurred for legal and regulatory services. Legal services include conducting and coordinating litigation, providing guidance on regulatory and labor matters, court expenses, filing fees, cost of counsel, etc. Regulatory services include preparing and presenting information for regulatory purposes, such as responding to this data request. **ADDITIONAL DATA REQUIRED - see Appendix 1**
3. **Engineering:** Expenses incurred in the general day to day engineering operation of the TRS telecommunications plant and /or IP network to meet applicable non-waived mandatory minimum standards. **ADDITIONAL DATA REQUIRED see Appendix 1**
4. **Research and Development:** Expenses incurred for R&D required to meet applicable non-waived mandatory minimum standards. **ADDITIONAL DATA REQUIRED – see Appendix 1**
5. **Operations Support:** Expenses that ensure the sustainability of service including troubleshooting, customer service and technical support. **ADDITIONAL DATA REQUIRED – see Appendix 1**
6. **Human Resources:** Expenses incurred in performing personnel administration activities, including recruiting, hiring, forecasting, planning, training, scheduling, counseling employees and reporting. **ADDITIONAL DATA REQUIRED – see Appendix 1**
7. **Billing:** Administrative expenses of rating and providing billing information to interexchange and exchange carriers, if not recovered by other means. **ADDITIONAL DATA REQUIRED - see Appendix 1**
8. **Contract Management:** Expenses of managing activities required by the provider contracts. **ADDITIONAL DATA REQUIRED – see Appendix 1**
9. **Risk Management:** Management expenses associated with workmen's compensation, payments in settlement of accident and damage claims, insurance premiums against losses and damages, sickness and disability payment, etc.
10. **Other Corporate Overhead:** Other administrative expenses of providing TRS not included in previous categories. All costs over \$10,000 should be itemized. **ADDITIONAL DATA REQUIRED – see Appendix 1** See discussion of overhead costs at paragraphs 74-75 of the Commission's Report and Order and Declaratory Ruling, released on November 19, 2007 (FCC 07-186).

## D. Annual Depreciation / Amortization Associated with Capital Investment

Depreciation listed in this section MUST tie to the capital investment reported in Section F.

1. **Furniture & Fixtures:** Depreciation expense on furniture and/or fixtures. **ADDITIONAL DATA REQUIRED – see Appendix 1**
2. **Telecommunications Equipment:** Depreciation expense associated with capitalized expenses of telecommunications equipment including switching equipment, operator services equipment, cable and wire facilities, transmission equipment, and power equipment. **ADDITIONAL DATA REQUIRED – see Appendix 1**
3. **Leasehold:** Amortization of leasehold improvements – improvements which become a permanent part of a building, like walls or carpeting. **ADDITIONAL DATA REQUIRED – see Appendix 1**
4. **Software:** Amortization expenses associated with capitalized software.
5. **Other Capitalized:** depreciation expense not accounted for in other categories. **ADDITIONAL DATA REQUIRED – see Appendix 1**

## E. Other Expenses

1. **Marketing/Advertising: Advertising:** is a form of communication intended to persuade an audience (viewers, readers or listeners) to purchase or take some action upon products, ideas, or services. It includes the name of a product or service and how that product or service could benefit the consumer, to persuade a target market to purchase or to consume that particular brand. These messages are usually paid for by sponsors and viewed via various media. Marketing is the wide range of activities involved in making sure that you're continuing to meet the needs of your customers and getting value in return. Marketing activities include "inbound marketing," such as market research to find out, for example, what groups of potential customers exist, what their needs are, which of those needs you can meet, how you should meet them, etc. Inbound marketing also includes analyzing the competition, positioning your new product or service (finding your market niche), and pricing your products and services. "Outbound marketing" includes promoting a product through continued advertising, promotions, public relations and sales. Marketing/Advertising expenditures by the provider to persuade users to choose their particular relay service over that of other relay service providers. **All costs over \$10,000 should be itemized.** The cost of equipment given to, sold to, and/or used by relay callers, and call incentives are NOT to be reported as expenses. **ADDITIONAL DATA REQUIRED – see Appendix 1.** See discussion at paragraph 82, Report and

Order and Declaratory Ruling, released on November 19, 2007 (FCC 07-186).

2. **Outreach:** Outreach is an effort by individuals in an organization or group to connect its ideas or practices to the efforts of other organizations, groups, specific audiences or the general public. Unlike marketing, outreach does not inherently revolve around a product or strategies to increase market share. Typically non-profits, civic groups, and churches engage in outreach. **ADDITIONAL DATA REQUIRED – see Appendix 1.** See discussion at paragraph 82, Report and Order and Declaratory Ruling, released on November 19, 2007 (FCC 07-186).
3. **Sub Contactor:** 3rd party costs associated with a contract to provide IP Relay, IP CTS and VRS services. Do not include profit or tax allowances of sub-contractor.
4. Software Expense
5. Customer Premise Equipment Expense **ADDITIONAL DATA REQUIRED – see Appendix 1**
6. Other: Expenses not previously reported. **ADDITIONAL DATA REQUIRED – see Appendix 1**

## F. Capital Investments

Please provide the year end net book value of capital investments by categories listed in Section F from which the depreciation expenses in Section D was calculated. **ADDITIONAL DATA REQUIRED – see Appendix 1**

## G. Costs Associated with E911 and Numbering for Internet-Based Telecommunications Relay Services

Costs may be submitted for:

“those additional costs incurred by a provider that directly relate to (1) ensuring that database information is properly and timely updated and maintained; (2) processing and transmitting calls made to ten-digit numbers assigned pursuant to this Order; (3) routing emergency calls to an appropriate PSAP; (4) other implementation related tasks directly related to facilitating ten-digit numbering and emergency call handling; and (5) consumer outreach and education related to the requirements and services adopted in this Order” (FCC 08-151¶100).

The following costs are not compensable from the fund: (A) Costs associated with an Internet-based TRS consumers’ acquisition of a ten-digit geographic telephone number (B) costs associated with an Internet-based consumers’ acquisition and usage of a toll free telephone number (C) E911 charges imposed on TRS providers under a

state or local E911 funding mechanism. (FCC 08-275, ¶¶47-56). Do not include these costs. Do not include costs already included in the per minute IP Relay, IP CTS and VRS compensation rate calculated pursuant to the Commission's rules.

## Completing the 'IP-Relay Services Expense and Capital Investments Data' Worksheet

Include reasonable expenses attributable to providing IP Relay as required under Part 64 of the FCC rules, such as gathering traffic, the center itself, and handing off calls to the carrier. When reporting expenses, please report all amounts in whole dollars. **Follow the same instructions for Sections A through G, as listed above in Video Relay Services Expense and Capital Investments Data however substitute IP Relay expenses and capital investments for the comparable VRS item.**

## Completing the 'IP-CTS Services Expense and Capital Investments Data' Worksheet

Include reasonable expenses attributable to providing IP-CTS as required under Part 64 of the FCC rules, such as gathering traffic, the center itself, and handing off calls to the carrier. When reporting expenses, please report all amounts in whole dollars. **Follow the same instructions for Sections A through G, as listed above in Video Relay Services Expense and Capital Investments Data however substitute IP CTS expenses and capital investments for the comparable VRS item.**

## Completing the 'Annual IP-Relay, IP-CTS and VRS Demand Data' Worksheet

All minute data should be reported in conversation minutes. Conversation minutes are measured in terms of conversation time, i.e., from calling party connection to called party to the disconnect of both parties. Do not include time for call set-up, call ringing, waiting for an answer, calls that reach busy numbers or receive no answers, and call wrap-up. 2011 and 2012 minutes should be actual conversation minutes. Minutes for 2013 and 2014 should be projected conversation minutes by month. The projected minutes should reflect reasonable growth rates and include other considerations that might increase or decrease the minutes handled by a center, such as adding a new state to a center. Include a description of the methodology used to determine the projected minutes for 2013 and 2014.



## APPENDIX 1 For IP Relay, IP-CTS and VRS

Sections A through G of this Appendix applies to each service separately.  
Section H applies to the reporting entity.

### SECTION A Annual Recurring Fixed/Semi-Variable Expenses

For Section "A" expenses that are provisioned jointly with the expenses for other telecommunications relay services, provide the total company expenses, a description of how the total expenses are allocated among the services, and the percent allocation for each service. For example, a building lease could be allocated based on the relative square feet of the building used to provide the services.

### SECTION B Annual Recurring Variable Expenses

#### 1. Salaries and Benefits

- a) Provide a detailed schedule of the number of full-time employees or part-time equivalent employees – **Non-management (persons performing communications assistant and interpreter activities)**, and the components of their compensation, including salaries and benefits. This includes the cost of contract interpreters and/or communication assistants where allowable. The schedule should tie to the actual and projected amounts for 2011-2014.

Please provide data for each center.

- b) Provide a detailed schedule of the occupancy and utilization percentages used to develop the number of employees required to meet call volumes. The schedule should tie to the schedule requested in a) above.

Occupancy Percentage = # of minutes a CA/Interpreter is occupied processing a call (including set-up, wrap-up) / # of available minutes (payroll time)

Utilization Percentage = # of conversation minutes (does not include set-up, wrap-up) / # of minutes a CA/Interpreter is occupied processing a call (including set-up, wrap-up)

Please also include information on the normal workday length and the amount of time CAs/interpreters are at their desks waiting to take calls (available/payroll time minus lunch, breaks, vacation).

- c) Provide the speed of answer you are staffing to meet for each center.
  1. Number of communication assistant and interpreter seats at each call center
  2. Number of call centers
  3. Average hourly salary for communication assistants and interpreters
  4. Provide fully loaded CA costs including labor, facilities and CA direct G&A

2. Salaries and Benefits Provide a detailed schedule of the number of employees – Management employees (relay center managers & supervisors), and the components of their compensation, including salaries and benefits. The schedule should tie to the actual and projected demand for 2011 - 2014. Please provide data for each center and job description for each employee. See discussion of executive compensation at paragraph 75, 78-79 of the Commission's Report and Order and Declaratory Ruling, released on November 19, 2007 (FCC 07-186).
3. Salaries and Benefits Provide a detailed schedule of the number of employees – Relay Center Staff (clerical staff and others who perform non communications assistant and interpreter activities), and the components of their compensation, including salaries and benefits. The schedule should tie to the actual and projected demand for 2011-2014. Please provide data for each center and job description for employee.

## **SECTION C Annual Administrative Expenses**

1. Finance/Accounting
  - a) Provide a detailed schedule of the number of employees and the components of their compensation, including salaries and benefits.
  - b) Provide job descriptions for finance/accounting staff.
  - c) Provide other expenses incurred in providing accounting and financial services.
2. Legal/ Regulatory
  - a) Provide a detailed schedule of the number of employees and the components of their compensation, including salaries and benefits.
  - b) Provide other expenses incurred in providing legal services and a description of those expenses.
3. Engineering (day to day operations)
  - a) Provide a detailed schedule of the number of employees and the components of their compensation, including salaries and benefits.
  - b) Provide job descriptions for engineering staff.
  - c) Describe Engineering activities and explain how it relates to meeting the non - waived mandatory minimum standards. (See FCC 04-137, ¶ 188-190)

4. Research and Development

- a) Provide a detailed schedule of the number of employees and the components of their compensation, including salaries and benefits. Provide a break down based on platform, software and customer premise equipment.
- b) Provide job descriptions for Research and Development staff.
- c) Describe each TRS related Research and Development project and explain how it relates to meeting the non -waived mandatory minimum standards. (See FCC 04-137, ¶ 188-190)

5. Operations Support

- a) Provide a list of independent contractors and their associated expenses.
- b) Provide a detailed schedule of full-time employees or part-time equivalent Customer Support staff.
- c) Provide a detailed schedule of Selling, General and Administrative expenses.

6. Human Resources

- a) Provide a detailed schedule of the number of employees and the components of their compensation, including salaries and benefits.
- b) Provide job descriptions for Human Resources staff.
- c) Provide other expenses incurred in performing personnel administration activities. This includes forecasting, planning, recruiting and reporting.

7. Billing

- a) Provide a detailed schedule of the number of employees and the components of their compensation, including salaries and benefits.
- b) Provide other administrative expenses incurred in rating and providing billing information to exchange and interexchange carriers if not recovered by other means.

8. Contract Management

- a) Provide a detailed schedule of the number of employees and the components of their compensation, including salaries and benefits.
- b) Provide job descriptions of employees.
- c) Provide expenses of managing activities required by provider contract and a description of those activities.

9. Risk Management (No additional information is needed)

10. Other Corporate Overheads

- a) Provide a detailed schedule of the number of employees and the components of their compensation, including salaries and benefits.
- b) Provide job descriptions of employees.
- c) Identify and explain the expenses included in corporate overhead.
- d) Itemize any costs over \$10,000. See discussion of overhead costs at paragraphs 74-75 of the Commission's Report and Order and Declaratory Ruling, released on November 19, 2007 (FCC 07-186).

**SECTION D Annual Depreciation/Amortization Associated with Capital Investment**

Depreciation method and period applied should be included. Departures from traditional depreciation methods should be explained in detail. We emphasize that the depreciable life, depreciation method, and depreciation expense must be categorized by items listed in Section D.

**SECTION E Other Expenses**

1. Marketing/Advertising Expenses

- a) Provide a detailed schedule of the number of employees and the components of their compensation, including salaries and benefits. This includes product management expenses associated with managing product lifecycle.
- b) Provide job descriptions of marketing/advertising staff.
- c) Identify and explain the expenses included in marketing/advertising.
- d) Itemize any costs over \$10,000.
- e) The cost of equipment given to, sold to, and/or used by relay callers, and call incentives are NOT to be reported in any expenses.
- f) Expenses associated with installation and training on the equipment are NOT to be reported.

2. Outreach Expenses

- a) Provide a detailed schedule of the number of employees and the components of their compensation, including salaries and benefits.
- b) Provide job descriptions of outreach staff.

- c) Identify and explain the expenses included in outreach.
  - d) The cost of equipment given to, sold to, and/or used by relay callers, and call incentives are NOT to be reported in any expenses.
  - e) Expenses associated with installation and training on customer premises' equipment are NOT to be reported. See the discussion at paragraph 82 and Declaratory Ruling at paragraphs 89-94 of the Commission's Report and Order and Declaratory Ruling, released on November 19, 2007 (FCC 07-186).
3. Sub Contractor Expenses (No additional information is needed)
  4. Software (No additional information is needed)
  5. Customer Premise Equipment
    - a) Provide a detailed schedule of the number of employees and the components of their compensation, including salaries and benefits.
    - b) Provide the number of Customer Premise Equipment units sold, produced and installed.
    - c) Provide the Cost of Goods Sold.
  6. Other - Do not include "Profit or Tax Allowances". List and explain expenses not stated in other categories.

## **SECTION F Capital Investments**

Support data for capital investment should include where appropriate, among other things: all capital equipment purchased in order to provide each form of TRS, itemized by equipment class, gross book values, accumulated depreciation, and net book values. Only report the year end net book value in Section F. Support data for IP Relay, IP CTS, and VRS equipment should separately identify investments used by communications assistants and interpreters to interact with end-users, and equipment used to monitor and supervise call centers. For each type of equipment provide gross book values, accumulated depreciation and net book values. For equipment used to monitor and supervise call centers that provide multiple TRS services, provide the total company investments, describe how total investments are allocated among the services, and the percent allocation for each service.

Only include capital investment items that are long term in nature and subject to depreciation. Items such as office supplies should be listed in Section B. 6. Relay Center Expenses.

## **SECTION G Costs Associated with E911 and Numbering for Internet-Based Telecommunications Relay Services**

Provide the total number of E911 calls handled for the years 2011 – 2012.

**Section H Financial Data (This is information should be supplied at the provider level rather than for each individual service)**

1. Please provide income statements for 2011 and 2012.
2. Please provide balance sheets for 2011 and 2012.
3. Please provide the state corporate income tax rates for each state applicable where you provide VRS, IP-Relay or IP-CTS service. If any state does not have a corporate income tax, please indicate that the rate does not exist.
4. Please provide a list of all debt instruments, where debt instruments include: notes, bonds, loans, commercial paper and similar financial obligations.
5. For each listed debt instrument, please provide:
  - a. The balance as of December 31, 2012
  - b. The expected balance as of April 30, 2013
  - c. The interest rate
  - d. Interest paid in 2011
  - e. Interest paid in 2012
  - f. Estimated interest payments in 2013
  - g. Estimated interest payments in 2014
  - h. Principal payments in 2011
  - i. Principal payments in 2012
  - j. Estimated principal payments in 2013
  - k. Estimated principal payments in 2014
  - l. Maturity date
  - m. An explanation of any covenants associated with the debt instrument
  - n. The metric associated with the covenant, for example, an interest coverage ratio of 3.
  - o. 2012 performance regarding the metric, for example, in 2012 the actual interest coverage ratio was 4.3.

TRs		STS	
rate	session or conversation	rate	session or conversation
\$ 1.43	Conversation	\$ 1.43	Conversation
\$ 1.33	Conversation	\$ 1.33	Conversation
\$ 1.50	Conversation	\$ 1.50	Conversation
\$ 1.59	Conversation	\$ 1.76	Conversation
\$ 1.90	Conversation	\$ 1.19	Conversation
\$ 1.42	Conversation	\$ 1.24	Conversation
\$ 1.76	Conversation	\$ 1.81	Conversation
\$ 1.19	Conversation	\$ 1.09	Conversation
\$ 1.24	Conversation	\$ 1.10	Conversation
\$ 1.81	Conversation	\$ 2.97	Conversation
\$ 1.09	Conversation	\$ 3.79	Conversation
\$ 1.10	Conversation	\$ 1.77	Conversation
\$ 1.76	Conversation	\$ 1.75	Conversation
\$ 1.85	Conversation	\$ 1.25	Conversation
\$ 2.91	Conversation	\$ 2.15	Conversation
\$ 3.79	Conversation	\$ 1.28	Conversation
\$ 1.77	Conversation	\$ 1.39	Conversation
\$ 1.75	Conversation	\$ 1.28	Conversation
\$ 1.25	Conversation	\$ 1.34	Conversation
\$ 2.15	Conversation	\$ 1.05	Conversation
\$ 1.28	Conversation	\$ 1.27	Conversation
\$ 1.39	Conversation	\$ 1.05	Session
\$ 1.28	Conversation	\$ 1.09	Session
\$ 1.34	Conversation	\$ 0.80	Session
\$ 1.05	Conversation	\$ 0.80	Session
\$ 1.27	Conversation	\$ 2.39	Session
\$ 1.05	Session	\$ 3.26	Session
\$ 1.09	Session	\$ 0.93	Session
\$ 0.80	Session	\$ 1.54	Session
\$ 0.80	Session	\$ 0.95	Session
\$ 0.93	Session	\$ 1.07	Session
\$ 1.54	Session	\$ 1.42	Session
\$ 0.95	Session	\$ 1.05	Session
\$ 1.07	Session	\$ 0.89	Session
\$ 1.05	Session	\$ 0.76	Session
\$ 0.89	Session	\$ 1.20	Session
\$ 0.76	Session	\$ 1.19	Session
\$ 1.20	Session	\$ 0.92	Session
\$ 1.19	Session	\$ 0.87	Session
\$ 0.92	Session	\$ 3.70	Session

\$ 0.87	Session	\$ 0.89	Session
\$ 3.70	Session	\$ 0.99	Session
\$ 0.89	Session	\$ 0.99	Session
\$ 0.99	Session	\$ 1.12	Session
\$ 0.99	Session	\$ 1.03	Session
\$ 1.12	Session	\$ 1.10	Session
\$ 1.03	Session	\$ 0.76	Session
\$ 1.10	Session	\$ 1.18	Session
\$ 0.76	Session	\$ 1.39	Session
\$ 1.18	Session	\$ 1.43	Session
\$ 1.39	Session	\$ 0.89	Session
\$ 1.43	Session	\$ 0.85	Session
\$ 0.89	Session	\$ 0.99	Session
\$ 0.85	Session	\$ 0.88	Session
\$ 0.99	Session	\$ 0.91	Session
\$ 0.88	Session	\$ 1.47	Session
\$ 0.91	Session	\$ 2.80	Session
\$ 1.47	Session	\$ 1.15	Session
\$ 2.80	Session	\$ 1.18	Session
\$ 1.15	Session	\$ 0.89	Session
\$ 1.18	Session	\$ 1.08	Session
\$ 0.89	Session	\$ 1.26	Session
\$ 1.08	Session	\$ 0.99	Session
\$ 1.26	Session	\$ 1.08	Session
\$ 0.99	Session	\$ 0.99	Session
\$ 1.08	Session		
\$ 0.99	Session		



CTS	
rate	session or conversation
\$ 1.78	Conversation
\$ 1.76	Conversation
\$ 1.73	Conversation
\$ 1.85	Conversation
\$ 1.76	Conversation
\$ 1.76	Conversation
\$ 1.57	Conversation
\$ 1.58	Conversation
\$ 1.80	Conversation
\$ 1.54	Conversation
\$ 1.62	Conversation
\$ 2.91	Conversation
\$ 1.69	Conversation
\$ 1.80	Conversation
\$ 1.78	Conversation
\$ 1.79	Conversation
\$ 1.69	Conversation
\$ 1.87	Conversation
\$ 1.79	Conversation
\$ 1.86	Conversation
\$ 1.92	Conversation
\$ 1.82	Conversation
\$ 1.77	Conversation
\$ 1.60	Session
\$ 1.55	Session
\$ 1.65	Session
\$ 1.51	Session
\$ 1.54	Session
\$ 1.45	Session
\$ 1.61	Session
\$ 1.39	Session
\$ 1.54	Session
\$ 1.47	Session
\$ 1.59	Session
\$ 1.68	Session
\$ 1.58	Session
\$ 1.55	Session
\$ 1.72	Session
\$ 1.82	Session
\$ 1.60	Session
\$ 1.70	Session
\$ 1.40	Session
\$ 1.72	Session
\$ 1.62	Session

\$ 1.62	Session
\$ 1.45	Session
\$ 1.60	Session
\$ 1.66	Session
\$ 1.49	Session
\$ 1.52	Session
\$ 1.55	Session
\$ 1.63	Session
\$ 1.53	Session
\$ 1.63	Session
\$ 1.66	Session
\$ 1.45	Session
\$ 1.60	Session
\$ 1.57	Session
\$ 1.65	Session
\$ 1.72	Session
\$ 1.52	Session
\$ 1.60	Session
\$ 1.59	Session

Membership  
Interstate Telecommunications Relay Service  
Advisory Council

Appendix E

Office		Officer	
Representing	SEAT	NAME	TERM
Deaf and Hard of Hearing community	Community #1	Al Sonnenstrahl	3/14/13 - 3/13/17
	Community #2	Sheila Conlon-Mentkowski (Vice-Chair)	4/06 - 3/14
Hearing/Speech Disability Community	Hearing/Speech Disabled Consumer	Beverly Jo (B.J.) Gallagher	9/27/12 - 9/26/16
TRS Users	TRS Users #1	Ron Bibler	10/07 - 9/15
	TRS Users #2	Andrew Phillips	9/19/11 - 9/19/15
State regulatory	State regulatory #1	Amy Ignatius	8/11-7/15
	State regulatory #2	Tim Schram	8/11-7/15
State Relay Administration	State regulatory – Relay administration #1	Jack R. Cassell	8/07 - 7/15
	State regulatory – Relay administration #2	Brenda Kelly-Frey	4/08 - 3/31/16
TRS Contributors	Interstate TRS Contributors #1	Phillip Hupf	9/18/12 - 9/30/16
	Interstate TRS Contributors #2	Celia Nogales	10/1/12-9/30/16
TRS Providers	TRS Providers #1	Kelby Brick (Chair)	4/07 - 3/15
	TRS Providers 2	Mark A. Tauscher	4/10 - 3/14

**Interstate TRS Advisory Council  
Draft Meeting Minutes April 18, 2012  
Crystal City, VA**

**Attendees:**

***COUNCIL MEMBERS***

Kelby Brick Chair – TRS providers  
Sheila Conlon-Mentkowski Vice Chair – deaf and hard of hearing community  
Ron Bibler Secretary – TRS users  
Jack Cassell – State regulatory-relay administration  
Brenda KellyFrey - State regulatory-relay administration  
Amy Ignatius - State regulatory  
Tim Schram - State regulatory  
Toni Acton – Interstate service providers  
Mark Tauscher – TRS providers  
Andrew Phillips – TRS users  
Robert Segalman alternate for Rebecca Ladew – Hearing/Speech disability community

***RLSA***

David Rolka  
Peter Bluhm  
Robert Loube

***FCC***

Greg Hlibok

**Convene**

Kelby Brick, Chair, called the meeting to order around 9:20 am. Mr. Brick asked council members and other attendees to introduce themselves.

**October 19, 2011 Minutes**

It was moved, seconded and approved that the minutes of the October 19, 2011 meeting be accepted with the modification of minor typographical revisions.

**FCC Update and Discussion**

Greg Hlibok, Chief in the Disability Rights Office was introduced as representing the FCC. Mr. Hlibok offered a summary of updates including relay provider certification process, an investigation into the possibility of IP Relay abuse, and the pending expiration of the 2011-2012 TRS rates. Mr. Hlibok regretted that he could not be more specific on VRS issues and rate structure information because the topic was still in active FCC discussion and no final decisions had been made for Council perusal.

Mr. Hlibok then responded to questions from the Council.

**RLSA Staff Reports**

Dave Rolka and Bob Loube presented the TRS Filing covering the MARS rate, and IP Relay. They said they were asked by the FCC not to discuss Video Relay Service reimbursement at this meeting as it is still in ongoing FCC discussion. Council members noted that the administrator was using the wrong denominator in the calculation of the MARS rate. After discussion and analysis of the formula, the administrator acknowledged the necessary correction and responded that the filing of the annual report with the FCC would reflect this correction.

Dave Rolka presented an overview of RLSA first year as TRS Fund Administrator. He discussed RLSA's role and experience in handling the changes and challenges of the past year. Mr. Rolka then responded to a number of questions from Council members. A discussion ensued on the feasibility of monthly status reports separating total support paid for the reported month into current minutes as well as minutes previously reported but payment withheld for whatever reason.

Ron Bibler requested that RLSA notify the Council whenever a new TRS Fund Performance Status Report has been posted on the RLSA website. Mr. Rolka responded that he would work with staff to possibly do some kind of 'broadcast' and attach the report.

Mr. Rolka informed the Council of the probability that RLSA would likely retain third-party auditors to conduct relay compliance audits of service providers under RLSA's supervision and not the supervision of the FCC, and that such an RFP for services had been issued.

### **Council Member Agenda Items/New Business**

Sheila Conlon-Mentkowski presented proposed bylaw revisions that her subcommittee had developed and circulated among the Council. Discussion ensued on the subject of Council member alternates attending Council meetings and the 30 day advance notice called for in the proposed bylaws. Sheila moved and Jack Cassell seconded that the amended bylaws be approved as presented. Motion passed.

Jack Cassell moved and Brenda Kelly-Frey seconded that going forward the Council be presented with two new reports: a State by State Video Relay Service Originating Call/Minute Summary and a State by State Internet Relay Originating Call/Minute Summary. Discussion ensued that these reports were previously prepared and presented in a terminating minute summary by NECA and that the originating call data needed to generate the requested report was being collected by R-L-S-A. Motion passed.

Sheila Conlon-Mentkowski moved and Jack Cassell seconded that the Council be presented with the data collected prior to the iTRS annual filing report. Motion passed.

Mark Tauscher moved and it was seconded that the Council take a position and send a letter to the FCC supporting a more timely payment schedule for provider reimbursement and also support consideration of additional interest payments made for reimbursements that are significantly delayed. Chair Brick will write the correspondence for distribution within the Council and then forward it to the FCC.

Jack Cassell moved and Brenda Kelly-Frey seconded that the next iTRS Council meeting be held in conjunction with the Fall 2012 NASRA meeting in Orland Florida on October 25. Motion passed.

### **Public Comment**

Mike Maddox from Sorenson and John Goodman from Sprint addressed Dave Rolka during his presentation. A representative of the speech disabled community expressed his appreciation to

the Council for the ability to take advantage of STS technology, and encouraged continuing support for the service.

## **Adjourn**

The meeting was adjourned at 3:10 pm.

Respectfully submitted,  
By Ron Bibler, Secretary

## **Interstate TRS Advisory Council Draft Meeting Minutes October 25, 2012 Orlando, FL**

### **Attendees:**

#### ***COUNCIL MEMBERS***

Kelby Brick Chair – TRS providers  
Sheila Conlon-Mentkowski Vice Chair – deaf and hard of hearing community  
Ron Bibler Secretary – TRS users  
Jack Cassell – State regulatory-relay administration  
Brenda KellyFrey - State regulatory-relay administration  
Amy Ignatius - State regulatory  
Tim Schram - State regulatory  
Phillip Hapf – Interstate service providers  
Mark Tauscher – TRS providers  
Andrew Phillips – TRS users  
Celia Nogales – Interstate Service Providers  
David Bauer alternate for Rebecca Ladew – Hearing/Speech disability community

#### ***RLSA***

David Rolka  
Peter Bluhm

#### ***FCC***

Greg Hlibok via video teleconference

### **Convene**

Kelby Brick, Chair, called the meeting to order around 9:00 am. Mr. Brick asked Council members and other attendees to introduce themselves.

### **April 18, 2012 Minutes**

It was moved, seconded and approved that the minutes of the April 18, 2012 meeting be accepted as drafted.

### **FCC Update and Discussion**

Greg Hlibok, Chief in the Disability Rights Office was introduced as representing the FCC. Mr. Hlibok discussed the Public Notice released October 15, 2012 regarding additional comments sought on the structure and practices of the VRS program and on proposed VRS compensation

rates. He also discussed the supplemental filing of the same day by the TRS administrator regarding reasonable rates for VRS service.

Mr. Hlibok then responded to questions from the Council.

### **RLSA Staff Reports**

Dave Rolka went over several monthly Interstate TRS Fund Performance Status reports and discussed the reasoning for several blank columns listed as 'confidential'. He mentioned the possible need for mid-course funding corrections due to the unanticipated increase in IP CTS minutes reported.

Mr. Rolka reported that 98% of the service provider auditing is completed, and that a summary will be made available to public. He said that RLSA has not been able to determine the best way to generate state-by-state reports for originating and terminating locations. Brenda Kelly-Frey stated that NASRA has decided they no longer need this report and the request is withdrawn.

Dave brought up the pricing structure for VRS, IP CTS and IP Relay and suggested that now is a good time to consider alternative pricing structures and encouraged the Council to come up with alternatives to be discussed at the Spring meeting.

Jack Cassell then moved and Sheila Conlon-Mentkowski seconded that a working group be established to study and focus on the analysis of various rates within the TRS Fund Administrators purview. Motion passed.

Celia Nogales moved and Phillip Hupf seconded that a small working group to work be established to work with Dave on the health of the fund, and to provide suggestions or advice as needed to make sure that the fund remains healthy. Motion passed. Chair Brick then appointed Nogales to lead and coordinate the working group.

### **Council Member Agenda Items/New Business**

The Council engaged in a discussion how to be better informed and to receive timely and pertinent information regarding FCC Public Notices, NPRMs, and Orders. Chair Brick appointed Andrew Phillips and Ron Bibler to look into the issue.

### **Public Comment**

David Weiss: Study says people who get free devices aren't motivated to use it. About 50% of the time people who have caption phones use the service. When it's free, people let it collect dust.

John Nakahata with Sorenson: Unverified usage is not an ITRS database problem. The problem is that the FCC's rule allows unverified users. Having a database won't be a solution. Federal advisory committee act suggests that working group meetings should be open.

Connie Phelps with NASRA: Thanks to Council and RLSA in conjunction with NASRA. Members feel it is beneficial to listen to concerns, but also beneficial to Council.

Angela Ross with Gracias: Growth of IPCTS may be due to geriatric population growth. 2: Council v. Committees have different roles.

Gail Sanchez with ATT. Need to secure all call detail records is beyond rules. Call detail only to be submitted for calls where there is a request for compensation.

## **Adjourn**

The meeting was adjourned at 2:05 pm.

Respectfully submitted,  
By Ron Bibler, Secretary



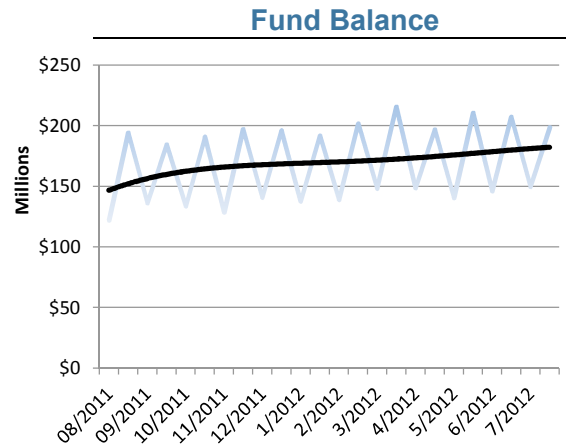
# Interstate TRS Fund Performance Status Report

Funding Year July 2012 - June 2013

Prepared by Rolka Loube Saltzer Associates

## July 2012

	<b>Actual</b>	
Opening Balance	\$ 149,645,996	
Receipts		
Receipts from Carriers	\$ 49,257,216	
Interest Received	\$ 18,750	
Miscellaneous	\$ 20	
Total Receipts	\$ 49,275,986 + \$ 49,275,986	
Disbursements		
Service Provider Support	\$ 60,542,452	
Council Meeting Expenses	\$ -	
Administration	\$ 85,443	
E911/10 Digit Number DB	\$ 32,083	
Miscellaneous	\$ 64,916	
Total Disbursements	\$ 60,724,894 - \$ 60,724,894	
Closing Balance	\$ 138,197,087	



## Projected vs Paid During July 2012

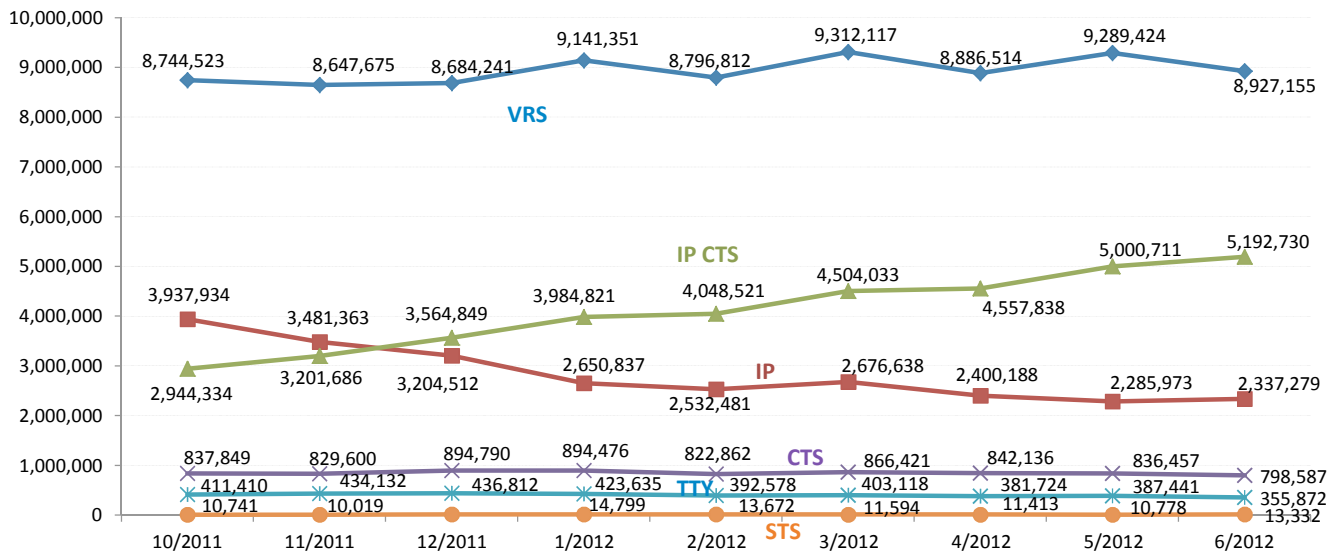
Category	Interstate TRS	Interstate CTS VCO	IP	Interstate STS	IP CTS	All VRS	Total
Projected Minutes	346,431	868,998	2,546,919	12,675	5,316,984	9,245,845	
Rate Per Minute	\$ 2.0304	\$ 1.7730	\$ 1.2855	\$ 3.1614	\$ 1.7730	Multiple	
Projected Support	\$ 703,394	\$ 1,540,733	\$ 3,274,064	\$ 40,071	\$ 9,427,012	\$ 48,986,503	\$ 63,971,778
Total Support Paid*	\$ 348,418	\$ 524,145	\$ 5,500,438	\$ 18,725	\$ 5,609,920	\$ 48,540,806	\$ 60,542,451
Diff. Projected vs. Paid	\$ (354,976)	\$ (1,016,588)	\$ 2,226,373	\$ (21,346)	\$ (3,817,092)	\$ (445,697)	\$ (3,429,327)
% Difference	-50.5%	-66.0%	68.0%	-53.3%	-40.5%	-0.9%	
# of Providers Paid During Month	3 (AT&T, KRIS, Hamilton)	3 (AT&T, KRIS, Hamilton)	3 (AT&T, Sorenson, Purple Comm)	3 (AT&T, KRIS, Hamilton)	3 (Hamilton, Sorenson, Purple)	7 (Convo, GraciasVRS, CAAG, CSDVRS, Sorenson, Purple Language, Purple Communications)	

\* May include support for minutes of services during past periods

## Cumulative Rate-Year to Date Reimbursements to Providers

Category	Interstate TRS	Interstate CTS VCO	IP	Interstate STS	IP CTS	VRS	Total
Jul 2012-July 2012	\$ 348,418	\$ 524,145	\$ 5,500,438	\$ 18,725	\$ 5,609,920	\$ 48,540,806	\$ 60,542,451
Jul 2011-July 2011	\$ 900,460	\$ 1,394,072	\$ 5,428,504	\$ 39,849	\$ 3,629,589	\$ 46,970,198	\$ 58,362,672

## Reported minutes of service per month for each service type



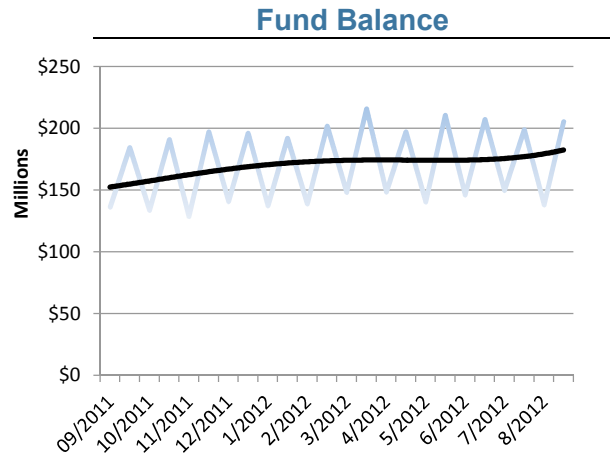
# Interstate TRS Fund Performance Status Report

Funding Year July 2012 - June 2013

Prepared by Rolka Loube Saltzer Associates

August 2012

	Actual	
Opening Balance	\$ 138,197,087	
Receipts		
Receipts from Carriers	\$ 67,169,291	
Interest Received	\$ 6,250	
Miscellaneous	\$ -	
Total Receipts	\$ 67,175,541	+\$ 67,175,541
Disbursements		
Service Provider Support	\$ 55,845,209	
Council Meeting Expenses	\$ 790	
Administration	\$ 113,666	
E911/10 Digit Number DB	\$ 32,083	
Miscellaneous	\$ 11,231	
Total Disbursements	\$ 56,002,979	-\$ 56,002,979
Closing Balance	\$ 149,369,650	



## Projected vs Paid During August 2012

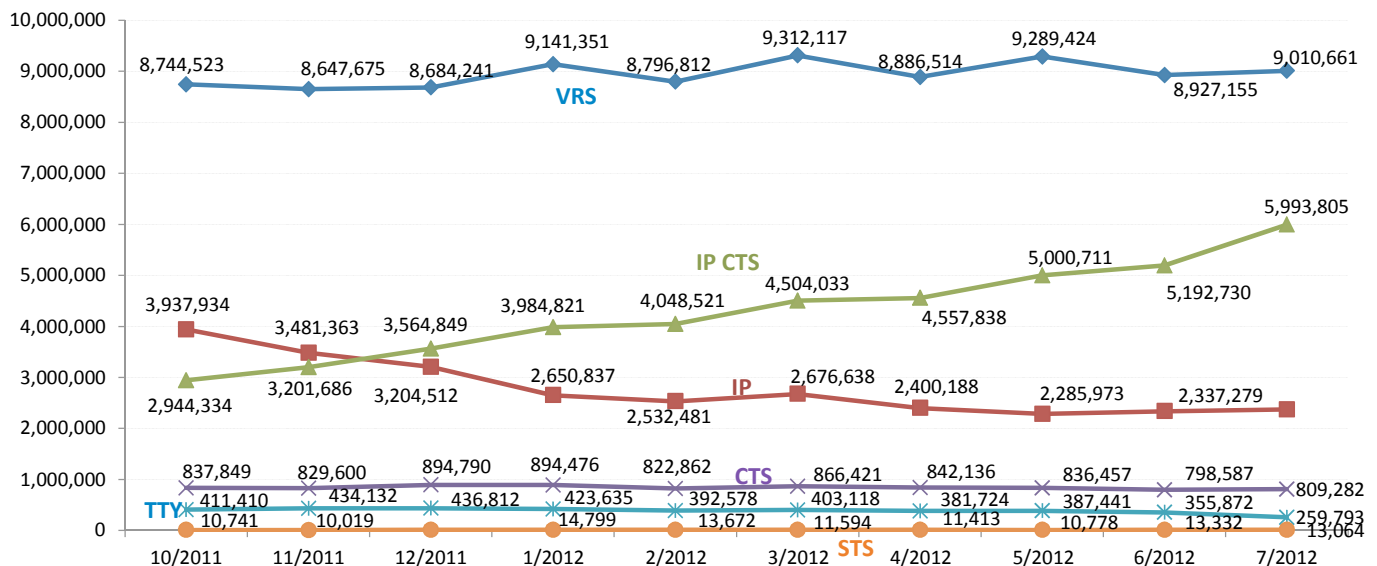
Category	Interstate TRS	Interstate CTS VCO	IP	Interstate STS	IP CTS	All VRS	Total
Projected Minutes	336,862	868,998	2,749,703	12,675	5,441,237	9,245,845	
Rate Per Minute	\$ 2.0304	\$ 1.7730	\$ 1.2855	\$ 3.1614	\$ 1.7730	Multiple	
Projected Support	\$ 683,965	\$ 1,540,733	\$ 3,534,743	\$ 40,071	\$ 9,647,314	\$ 48,986,503	\$ 64,433,330
Total Support Paid*	\$ 346,547	\$ 630,225	confidential	\$ 25,988	\$ 5,929,720	\$ 46,703,504	confidential
Diff. Projected vs. Paid	\$ (337,419)	\$ (910,508)		\$ (14,083)	\$ (3,717,594)	\$ (2,283,000)	
% Difference	-49.3%	-59.1%		-35.1%	-38.5%	-4.7%	
# of Providers Paid During Month	3 (AT&T, KRSI, Hamilton)	3 (AT&T, KRSI, Hamilton)		3 (AT&T, KRSI, Hamilton)	3 (Hamilton, Sorenson, Purple)	5 (Convo, Gracias, CSDVRS, Sorenson, Purple)	

\* May include support for minutes of services during past periods

## Cumulative Rate-Year to Date Reimbursements to Providers

Category	Interstate TRS	Interstate CTS VCO	IP	Interstate STS	IP CTS	VRS	Total
Jul 2012-Aug 2012	\$ 694,964	\$ 1,154,370	confidential	\$ 44,713	\$ 11,539,640	\$ 95,244,310	confidential
Jul 2011-Aug 2011	\$ 1,781,371	\$ 2,696,674	\$ 10,510,510	\$ 73,234	\$ 7,431,269	\$ 93,733,724	\$ 116,226,783

## Reported minutes of service per month for each service type



# Interstate TRS Fund Performance Status Report

Funding Year July 2012 - June 2013

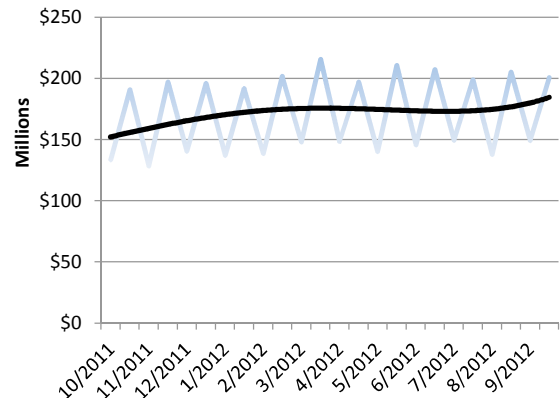
Prepared by Rolka Loube Saltzer Associates

September 2012

Actual

Opening Balance		\$ 149,369,650
Receipts		
Receipts from Carriers	\$ 51,358,844	
Interest Received	\$ 6,250	
Miscellaneous	\$ -	
Total Receipts	\$ 51,365,094	+\$ 51,365,094
Disbursements		
Service Provider Support	\$ 75,721,129	
Council Meeting Expenses	\$ 258	
Administration	\$ 89,726	
E911/10 Digit Number DB	\$ 32,083	
Miscellaneous	\$ 131,485	
Total Disbursements	\$ 75,974,681	-\$ 75,974,681
Closing Balance		\$ 124,760,063

Fund Balance



## Projected vs Paid During September 2012

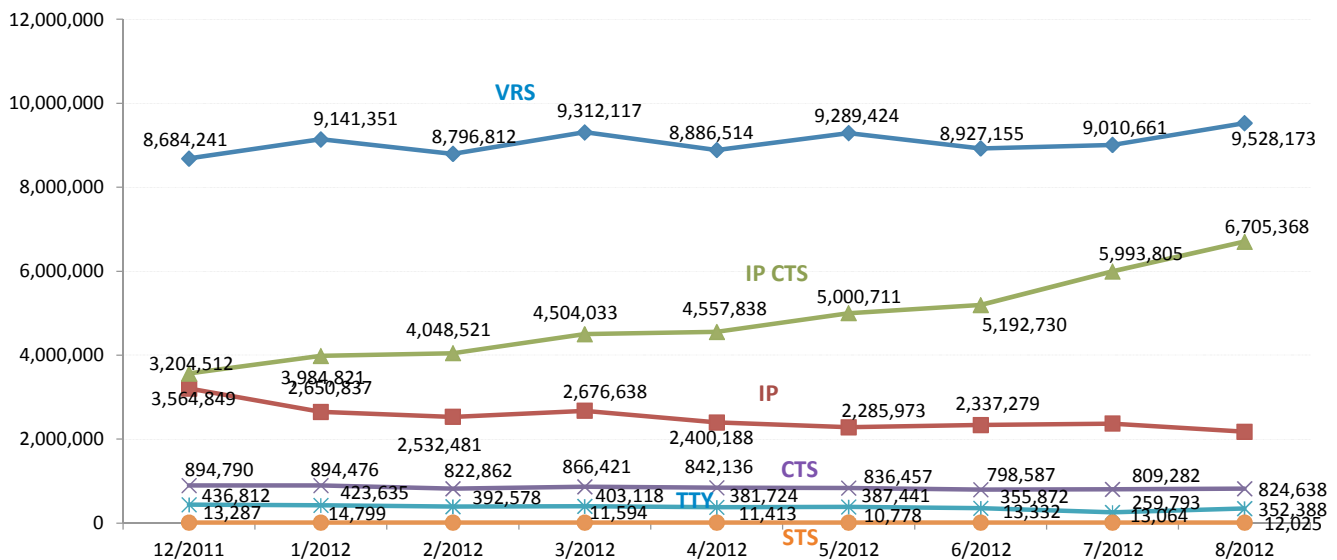
Category	Interstate TRS	Interstate CTS VCO	IP	Interstate STS	IP CTS	All VRS	Total
Projected Minutes	327,293	868,998	2,547,635	12,675	5,565,491	9,245,845	
Rate Per Minute	\$ 2.0304	\$ 1.7730	\$ 1.2855	\$ 3.1614	\$ 1.7730	Multiple	
Projected Support	\$ 664,537	\$ 1,540,733	\$ 3,274,985	\$ 40,071	\$ 9,867,616	\$ 48,986,503	\$ 64,374,445
Total Support Paid*	\$ 1,770,745	\$ 4,117,530	Confidential	\$ 82,145	\$ 20,102,212	\$ 47,197,227	Confidential
Diff. Projected vs. Paid	\$ 1,106,208	\$ 2,576,797		\$ 42,074	\$ 10,234,596	\$ (1,789,276)	
% Difference	166.5%	167.2%		105.0%	103.7%	-3.7%	
# of Providers Paid During Month	4 (AT&T, KRSI, Hamilton, Sprint)	4 (AT&T, KRSI, Hamilton, Sprint)		4 (AT&T, KRSI, CSDVRS, Sprint)	4 (Hamilton, Sorenson, Purple Comm, Sprint)	5 (Convo, Gracias, CSDVRS, Sorenson, Purple)	

\* May include support for minutes of services during past periods

## Cumulative Rate-Year to Date Reimbursements to Providers

Category	Interstate TRS	Interstate CTS VCO	IP	Interstate STS	IP CTS	VRS	Total
Jul 2012-Sep 2012	\$ 2,465,709	\$ 5,271,900	Confidential	\$ 126,859	\$ 31,641,852	\$ 142,441,538	Confidential
Jul 2011-Sep 2011	\$ 2,576,235	\$ 4,061,876	\$ 12,059,996	\$ 105,786	\$ 11,523,723	\$ 136,696,221	\$ 167,023,837

## Reported minutes of service per month for each service type



# Interstate TRS Fund Performance Status Report

Funding Year July 2012 - June 2013

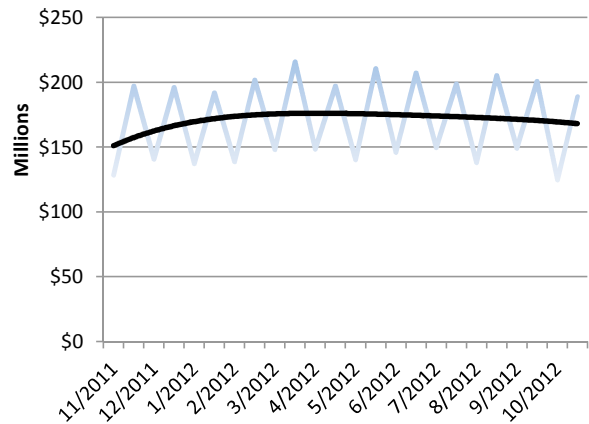
Prepared by Rolka Loube Saltzer Associates

October 2012

Actual

Opening Balance	\$ 124,760,063
Receipts	
Receipts from Carriers	\$ 64,145,710
Interest Received	\$ 25,000
Miscellaneous	\$ -
Total Receipts	\$ 64,170,710 + \$ 64,170,710
Disbursements	
Service Provider Support	confidential
Council Meeting Expenses	\$ -
Administration	\$ 89,726
E911/10 Digit Number DB	\$ 32,083
NDBEDP	\$ 6,661
Miscellaneous	\$ 11,746
Total Disbursements	confidential - confidential
Closing Balance	confidential

Fund Balance



## Projected vs Paid During October 2012

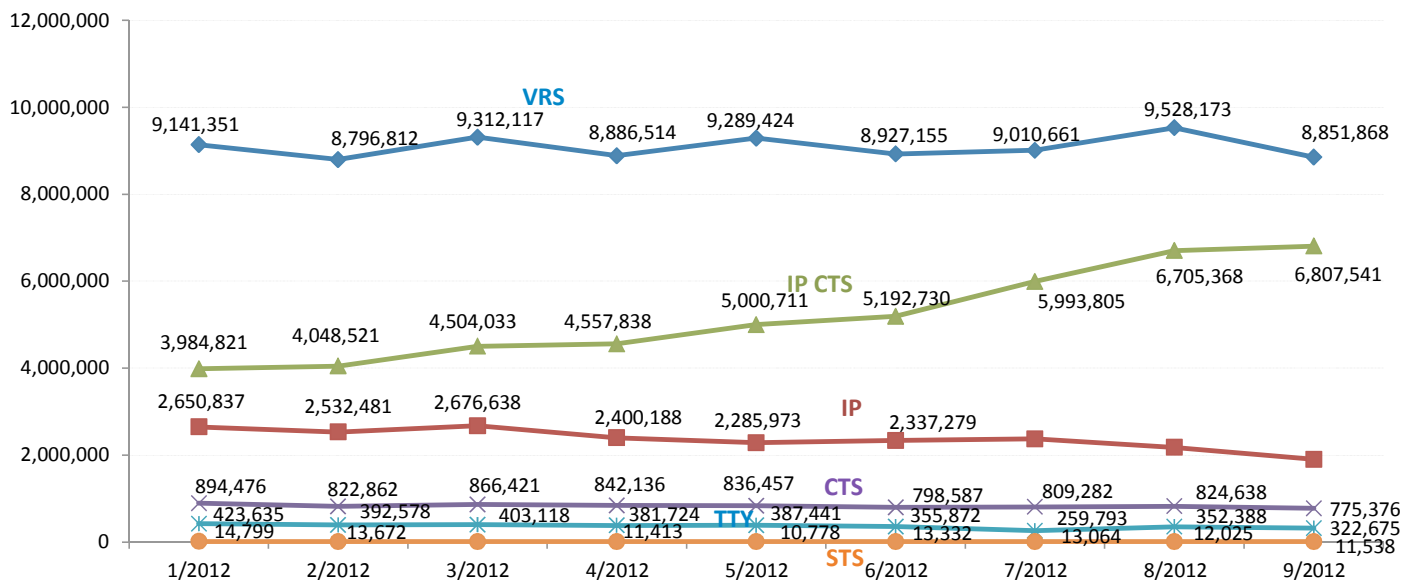
Category	Interstate TRS	Interstate CTS VCO	IP	Interstate STS	IP CTS	All VRS
Projected Minutes	336,862	868,998	2,749,703	12,675	5,441,237	9,245,845
Rate Per Minute	\$ 2.0304	\$ 1.7730	\$ 1.2855	\$ 3.1614	\$ 1.7730	Multiple
Projected Support	\$ 683,965	\$ 1,540,733	\$ 3,534,743	\$ 40,071	\$ 9,647,314	\$ 48,984,282
Total Support Paid*	\$ 704,189	\$ 1,446,786	Confidential	\$ 37,997	\$ 11,888,617	\$ 50,173,574
Diff. Projected vs. Paid	\$ 20,224	\$ (93,948)		\$ (2,074)	\$ 2,241,303	\$ 1,189,293
% Difference	3.0%	-6.1%		-5.2%	23.2%	2.4%

\* May include support for minutes of services during past periods

## Cumulative Rate-Year to Date Reimbursements to Providers

Category	Interstate TRS	Interstate CTS VCO	IP	Interstate STS	IP CTS	VRS
Jul 2012-Oct 2012	\$ 3,169,898	\$ 6,718,686	Confidential	\$ 164,856	\$ 43,530,469	\$ 192,615,112
Jul 2011-Oct 2011	\$ 2,576,235	\$ 4,061,876	\$ 12,059,996	\$ 105,786	\$ 11,523,723	\$ 136,696,221

## Reported minutes of service per month for each service type



# Interstate TRS Fund Performance Status Report

Funding Year July 2012 - June 2013

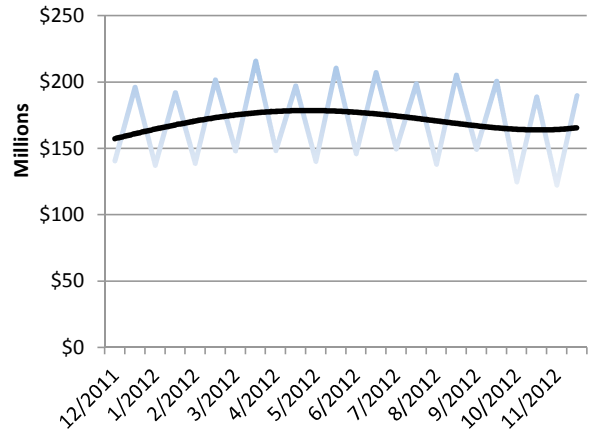
Prepared by Rolka Loube Saltzer Associates

## November 2012

### Actual

Opening Balance	confidential	
Receipts		
Receipts from Carriers	\$	67,422,341
Interest Received	\$	50,000
Miscellaneous	\$	-
Total Receipts	\$	67,472,341 + \$ 67,472,341
Disbursements		
Service Provider Support	confidential	
Council Meeting Expenses	\$	16,324
Administration	\$	89,726
E911/10 Digit Number DB	\$	32,083
NDBEDP	\$	15,558
Audits and Miscellaneous	\$	183,946
Total Disbursements	confidential	- confidential
Closing Balance	confidential	

### Fund Balance



## Projected vs Paid During November 2012

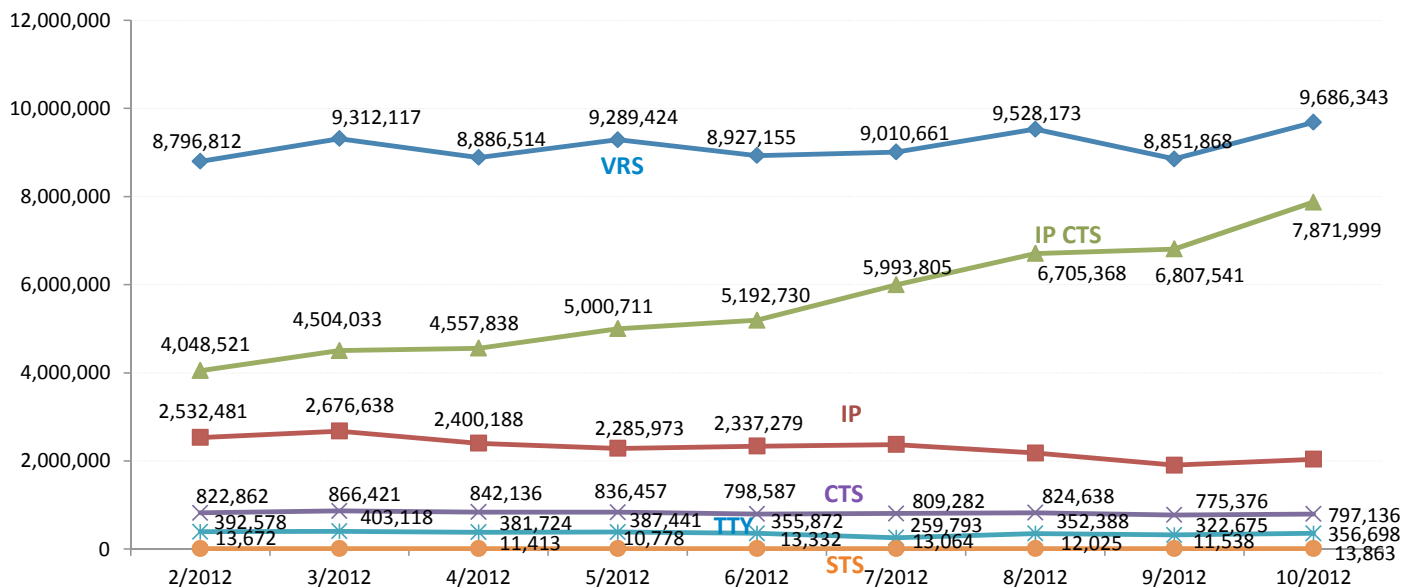
Category	Interstate TRS	Interstate CTS VCO	IP	Interstate STS	IP CTS	All VRS	Total
Projected Minutes	327,293	868,998	2,547,635	12,675	5,565,491	9,245,845	
Rate Per Minute	\$ 2.0304	\$ 1.7730	\$ 1.2855	\$ 3.1614	\$ 1.7730	Multiple	
Projected Support	\$ 664,537	\$ 1,540,733	\$ 3,274,985	\$ 40,071	\$ 9,867,616	\$ 48,984,282	\$ 64,372,223
Total Support Paid*	\$ 653,935	\$ 1,358,319	confidential	\$ 36,523	\$ 12,069,739	\$ 46,680,464	\$ 60,798,979
Diff. Projected vs. Paid	\$ (10,602)	\$ (182,414)	confidential	\$ (3,548)	\$ 2,202,123	\$ (2,303,818)	\$ (3,573,244)
% Difference	-1.6%	-11.8%		-8.9%	22.3%	-4.7%	

\* May include support for minutes of services during past periods

## Cumulative Rate-Year to Date Reimbursements to Providers

Category	Interstate TRS	Interstate CTS VCO	IP	Interstate STS	IP CTS	VRS	Total
Jul 2012-Nov 2012	\$ 3,823,833	\$ 8,077,005	confidential	\$ 201,379	\$ 55,600,208	\$ 239,295,576	\$ 306,998,000
Jul 2011-Nov 2011	\$ 4,201,220	\$ 6,926,511		\$ 177,289	\$ 20,915,640	\$ 231,104,172	\$ 263,324,833

## Reported minutes of service per month for each service type



# Interstate TRS Fund Performance Status Report

Funding Year July 2012 - June 2013

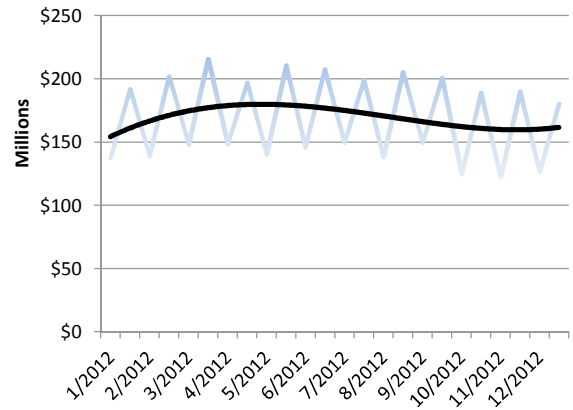
Prepared by Rolka Loube Saltzer Associates

December 2012

Actual

Opening Balance	confidential	
Receipts		
Receipts from Carriers	\$	53,657,240
Interest Received	\$	56,250
Miscellaneous	\$	-
Total Receipts	\$	53,713,490 + \$ 53,713,490
Disbursements		
Service Provider Support	\$	69,081,129
Council Meeting Expenses	\$	100
Administration	\$	89,726
E911/10 Digit Number DB	\$	32,083
NDBEDP	\$	180,168
Audits and Miscellaneous	\$	709,886
Total Disbursements	\$	70,093,092 - \$ 70,093,092
Closing Balance	confidential	

Fund Balance



## Projected vs Paid During December 2012

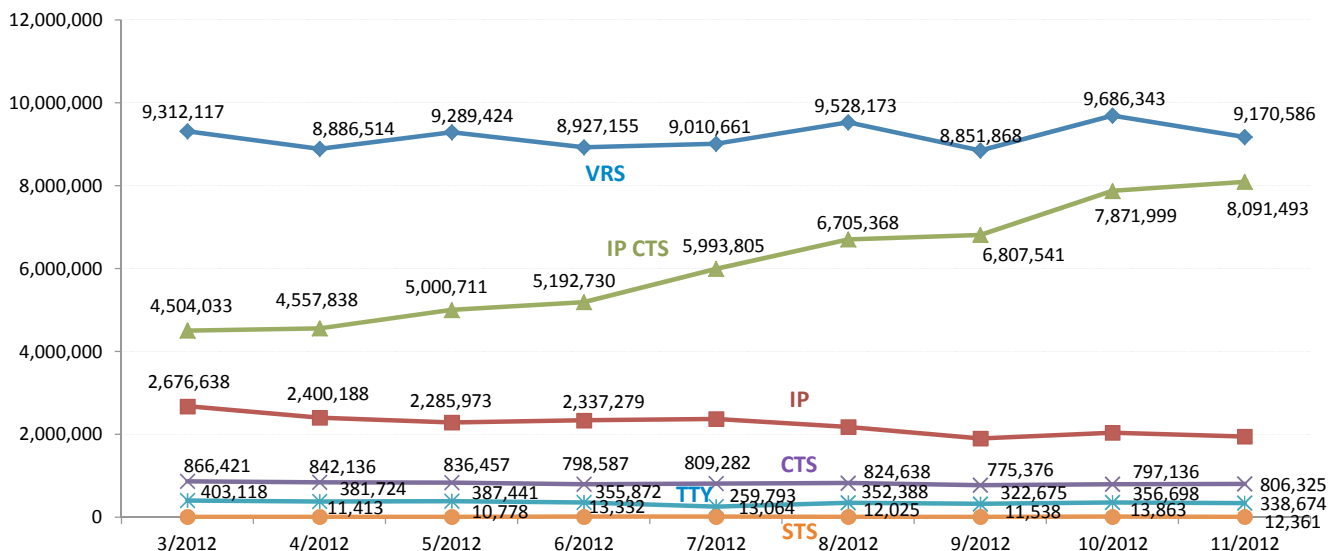
Category	Interstate TRS	Interstate CTS VCO	IP	Interstate STS	IP CTS	All VRS	Total
Projected Minutes	317,725	868,998	2,728,806	12,675	5,689,745	9,245,845	
Rate Per Minute	\$ 2.0304	\$ 1.7730	\$ 1.2855	\$ 3.1614	\$ 1.7730	Multiple	
Projected Support	\$ 645,108	\$ 1,540,733	\$ 3,507,880	\$ 40,071	\$ 10,087,917	\$ 48,984,282	\$ 64,805,992
Total Support Paid*	\$ 724,239	\$ 1,452,083	\$ 2,482,908	\$ 43,826	\$ 13,957,055	\$ 50,912,835	\$ 69,572,945
Diff. Projected vs. Paid	\$ 79,131	\$ (88,650)	\$ (1,024,972)	\$ 3,755	\$ 3,869,138	\$ 1,928,553	\$ 4,766,953
% Difference	12.3%	-5.8%	-29.2%	9.4%	38.4%	3.9%	
# of Providers Paid During Month	4 (AT&T, KRSI, Hamilton, Sprint)	4 (AT&T, KRSI, Hamilton, Sprint)	3 (Sorenson, Purple, Sprint)	4 (AT&T, KRSI, Hamilton, Sprint)	4 (Hamilton, Sorenson, Purple, Sprint)	6 (Convo, Gracias, CAAG, CSDVRS, Sorenson, Purple)	

\* May include support for minutes of services during past periods

## Cumulative Rate-Year to Date Reimbursements to Providers

Category	Interstate TRS	Interstate CTS VCO	IP	Interstate STS	IP CTS	VRS	Total
Jul 2012-Dec 2012	\$ 4,540,847	\$ 9,529,088	confidential	\$ 245,205	\$ 69,557,263	\$ 289,725,340	confidential
Jul 2011-Dec 2011	\$ 4,966,895	\$ 8,403,639	confidential	\$ 209,426	\$ 26,106,501	\$ 277,679,847	confidential

## Reported minutes of service per month for each service type





# Interstate TRS Fund Performance Status Report

Funding Year July 2012 - June 2013

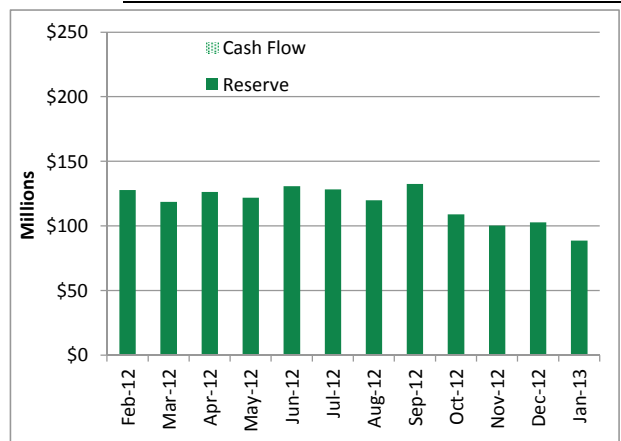
Prepared by Rolka Loube Saltzer Associates

January 2013

Actual

Opening Balance		\$ 110,329,036
Receipts		
Receipts from Carriers	\$ 62,483,921	
Interest Received	\$ 18,750	
Miscellaneous	\$ -	
Total Receipts	\$ 62,502,671	+ \$ 62,502,671
Disbursements		
Service Provider Support	\$ 67,430,822	
Council Meeting Expenses	\$ 722	
Administration	\$ 89,726	
E911/10 Digit Number DB	\$ 32,083	
NDBEDP	\$ -	
Audits and Miscellaneous	\$ 12,338	
Total Disbursements	\$ 67,565,691	- \$ 67,565,691
Closing Balance		\$ 105,266,016

Cash and Investments



Projected vs Paid During January 2013

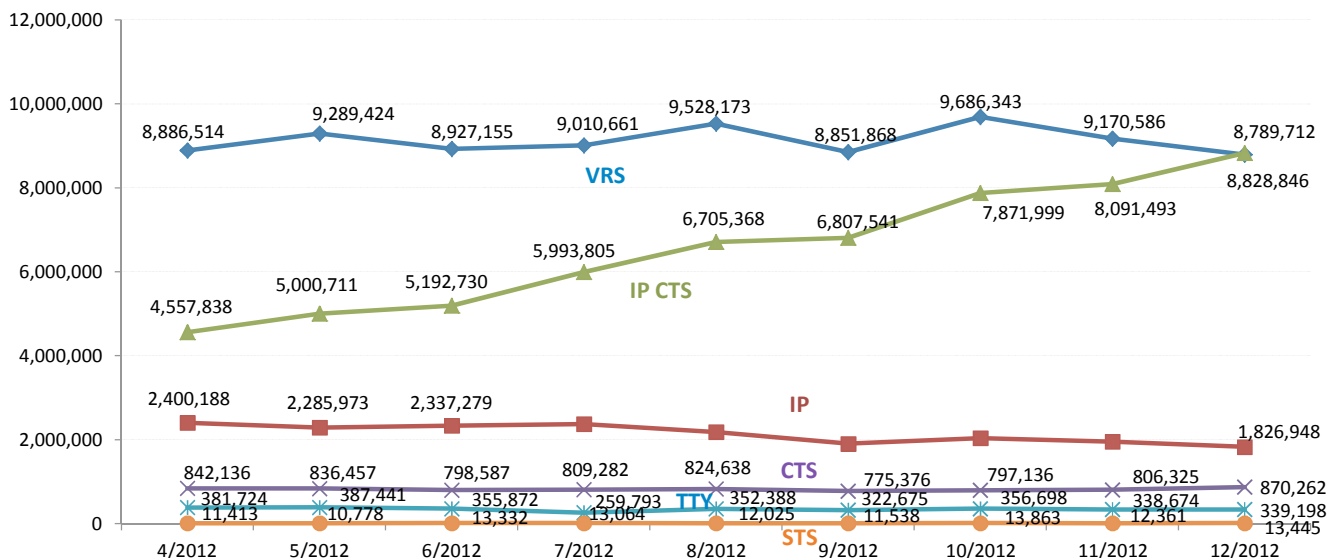
Category	Interstate TRS	Interstate CTS VCO	IP	Interstate STS	IP CTS	All VRS	Total
Projected Minutes	308,156	868,998	2,562,340	12,675	5,813,998	9,245,845	
Rate Per Minute	\$ 2.0304	\$ 1.7730	\$ 1.2855	\$ 3.1614	\$ 1.7730	Multiple	
Projected Support	\$ 625,680	\$ 1,540,733	\$ 3,293,888	\$ 40,071	\$ 10,308,219	\$ 48,984,282	\$ 64,792,873
Total Support Paid*	\$ 687,644	\$ 1,429,614	\$ 2,594,440	\$ 39,076	\$ 14,346,217	\$ 48,333,831	\$ 67,430,822
Diff. Projected vs. Paid	\$ 61,964	\$ (111,119)	\$ (699,448)	\$ (995)	\$ 4,037,998	\$ (650,451)	\$ 2,637,950
% Difference	9.9%	-7.2%	-21.2%	-2.5%	39.2%	-1.3%	
# of Providers Paid During Month	4 (AT&T, KRSI, Hamilton, Sprint)	4 (AT&T, KRSI, Hamilton, Sprint)	4 (Hamilton, Sorenson, Purple, Sprint)	4 (AT&T, KRSI, Hamilton, Sprint)	4 (Hamilton, Sorenson, Purple, Sprint)	6 (Convo, Gracias, CAAG, CSDVRS, Sorenson, Purple)	

\* May include support for minutes of services during past periods

Cumulative Rate-Year to Date Reimbursements to Providers

Category	Interstate TRS	Interstate CTS VCO	IP	Interstate STS	IP CTS	VRS	Total
Jul 2012-Jan 2013	\$ 5,228,491	\$ 10,958,702	\$ 19,403,420	\$ 284,281	\$ 83,903,480	\$ 338,058,994	\$ 457,837,368
Jul 2011-Jan 2012	\$ 5,356,393	\$ 8,922,699	\$ 30,087,235	\$ 230,132	\$ 29,098,994	\$ 323,097,078	\$ 396,792,531

Reported minutes of service per month for each service type



# Interstate TRS Fund Performance Status Report

Funding Year July 2012 - June 2013

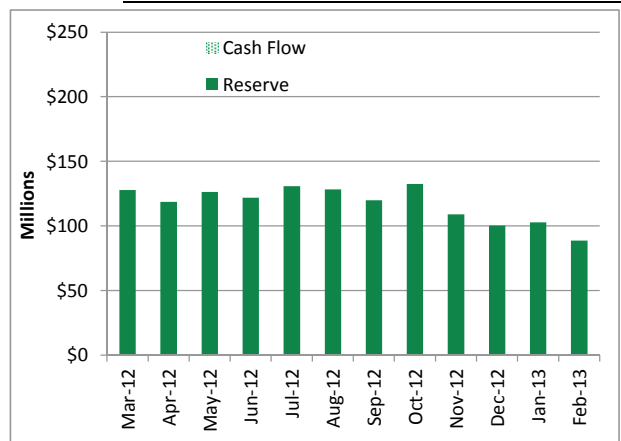
Prepared by Rolka Loube Saltzer Associates

February 2013

Actual

Opening Balance		\$ 105,266,016
Receipts		
Receipts from Carriers	\$ 58,445,403	
Interest Received	\$ 31,898	
Miscellaneous	\$ -	
Total Receipts	\$ 58,477,301	+ \$ 58,477,301
Disbursements		
Service Provider Support	\$ 66,661,241	
Council Meeting Expenses	\$ 571	
Administration	\$ 89,726	
E911/10 Digit Number DB	\$ -	
NDBEDP	\$ 77,401	
Audits and Miscellaneous	\$ 11,350	
Total Disbursements	\$ 66,840,287	- \$ 66,840,287
Closing Balance		\$ 96,903,030

Cash and Investments



Projected vs Paid During February 2013

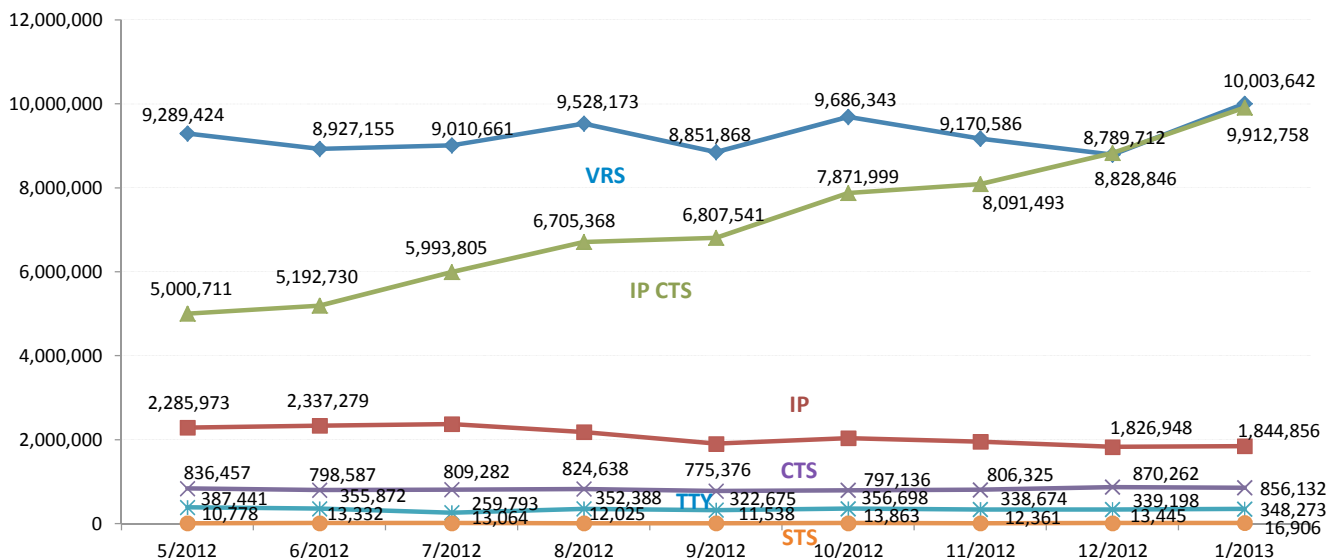
Category	Interstate TRS	Interstate CTS VCO	IP	Interstate STS	IP CTS	All VRS	Total
Projected Minutes	298,587	868,998	2,562,205	12,675	5,938,252	9,245,845	
Rate Per Minute	\$ 2.0304	\$ 1.7730	\$ 1.2855	\$ 3.1614	\$ 1.7730	Multiple	
Projected Support	\$ 606,251	\$ 1,540,733	\$ 3,293,715	\$ 40,071	\$ 10,528,521	\$ 48,984,282	\$ 64,993,572
Total Support Paid*	\$ 688,708	\$ 1,542,975	\$ 2,345,819	\$ 42,506	\$ 15,653,544	\$ 46,387,688	\$ 66,661,241
Diff. Projected vs. Paid	\$ 82,457	\$ 2,242	\$ (947,895)	\$ 2,435	\$ 5,125,023	\$ (2,596,594)	\$ 1,667,668
% Difference	13.6%	0.1%	-28.8%	6.1%	48.7%	-5.3%	
# of Providers Paid During Month	4 (AT&T, KRSI, Hamilton, Sprint)	4 (AT&T, KRSI, Hamilton, Sprint)	4 (Hamilton, Sorenson, Purple, Sprint)	4 (AT&T, KRSI, Hamilton, Sprint)	4 (Hamilton, Sorenson, Purple, Sprint)	6 (Convo, Gracias, CAAG, CSDVRS, Sorenson, Purple)	

\* May include support for minutes of services during past periods

Cumulative Rate-Year to Date Reimbursements to Providers

Category	Interstate TRS	Interstate CTS VCO	IP	Interstate STS	IP CTS	VRS	Total
Jul 2012-Feb 2013	\$ 5,917,199	\$ 12,501,677	\$ 21,749,240	\$ 326,788	\$ 99,557,024	\$ 384,446,682	\$ 524,498,609
Jul 2011-Feb 2012	\$ 5,756,601	\$ 9,495,242	\$ 33,554,082	\$ 257,132	\$ 32,577,972	\$ 368,686,281	\$ 450,327,309

Reported minutes of service per month for each service type





# Interstate TRS Fund Performance Status Report

Funding Year July 2012 - June 2013

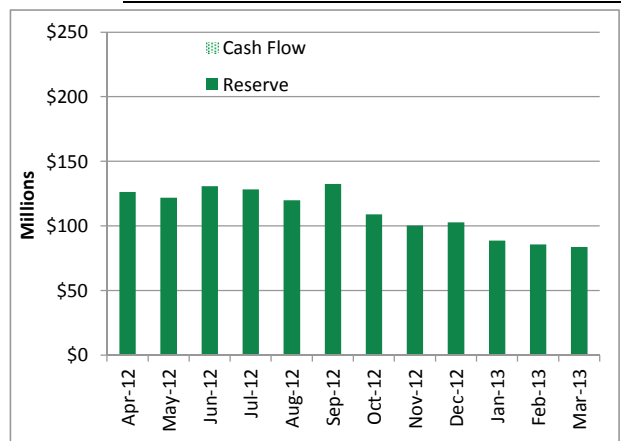
Prepared by Rolka Loube Saltzer Associates

March 2013

## Actual

Opening Balance		\$ 96,903,030
Receipts		
Receipts from Carriers	\$ 58,113,168	
Interest Received	\$ 2,014	
Miscellaneous	\$ -	
Total Receipts	\$ 58,115,182	+ \$ 58,115,182
Disbursements		
Service Provider Support	\$ 70,603,501	
Council Meeting Expenses	\$ 627	
Administration	\$ 89,726	
E911/10 Digit Number DB	\$ 64,167	
NDBEDP	\$ 210,015	
Audits and Miscellaneous	\$ 12,993	
Total Disbursements	\$ 70,981,027	- \$ 70,981,027
Closing Balance		\$ 84,037,185

## Cash and Investments



## Projected vs Paid During March 2013

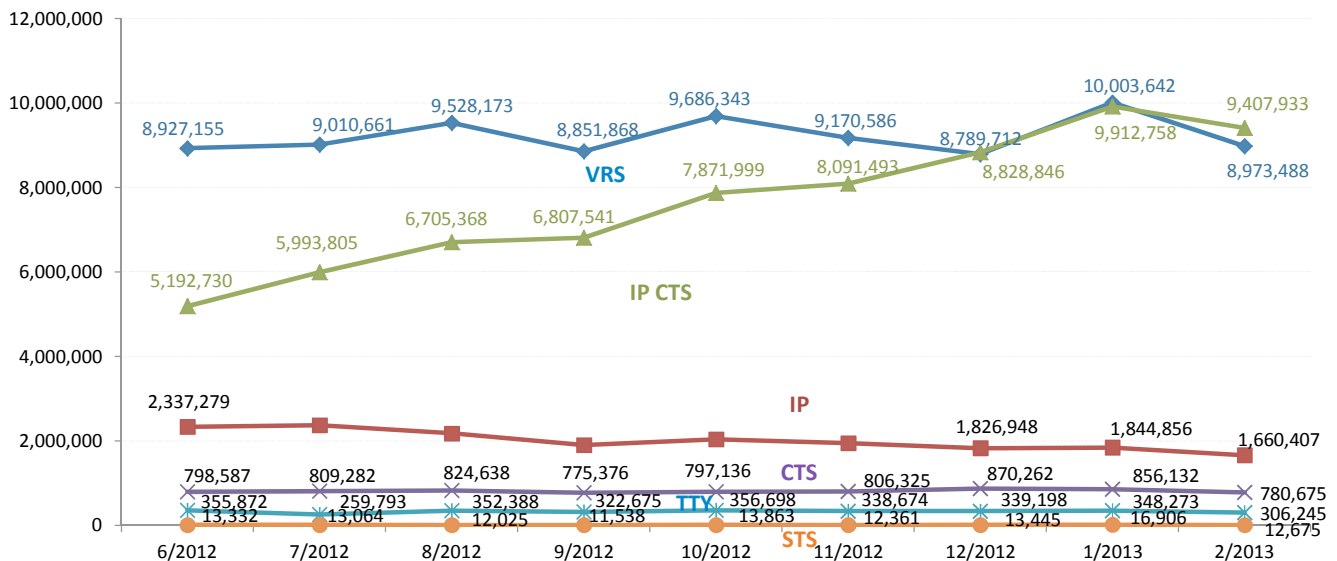
Category	Interstate TRS	Interstate CTS VCO	IP	Interstate STS	IP CTS	All VRS	Total
Projected Minutes	289,018	868,998	2,655,964	12,675	6,062,506	9,245,845	
Rate Per Minute	\$ 2.0304	\$ 1.7730	\$ 1.2855	\$ 3.1614	\$ 1.7730	Multiple	
Projected Support	\$ 586,822	\$ 1,540,733	\$ 3,414,242	\$ 40,071	\$ 10,748,823	\$ 48,984,282	\$ 65,314,973
Total Support Paid*	\$ 546,987	\$ 1,093,973	\$ 2,342,151	\$ 34,786	\$ 14,033,977	\$ 52,551,627	\$ 70,603,501
Diff. Projected vs. Paid	\$ (39,835)	\$ (446,760)	\$ (1,072,091)	\$ (5,285)	\$ 3,285,154	\$ 3,567,345	\$ 5,288,528
% Difference	-6.8%	-29.0%	-31.4%	-13.2%	30.6%	7.3%	
# of Providers Paid During Month	3 (AT&T, KRSI, Sprint)	3 (AT&T, KRSI, Sprint)	3 (Sorenson, Purple, Sprint)	3 (AT&T, KRSI, Sprint)	3 (Sorenson, Purple, Sprint)	6 (Convo, Gracias, CAAG, CSDVRS, Sorenson, Purple)	

\* May include support for minutes of services during past periods

## Cumulative Rate-Year to Date Reimbursements to Providers

Category	Interstate TRS	Interstate CTS VCO	IP	Interstate STS	IP CTS	VRS	Total
Jul 2012-Mar 2013	\$ 6,464,186	\$ 13,595,650	\$ 24,091,390	\$ 361,573	\$ 113,591,001	\$ 436,998,309	\$ 595,102,109
Jul 2011-Mar 2012	\$ 7,376,237	\$ 13,020,700	\$ 34,669,382	\$ 323,441	\$ 45,000,162	\$ 416,961,286	\$ 517,351,208

## Reported minutes of service per month for each service type



Data from Certified State Programs  
TRS & STS Compensation

Exhibit 1-1

TRS					sts					TRS + STS	
rate	Conversation Minutes	Session Minutes	session or conversation	revenue	rate	Conversation Minutes	Session Minutes	session or conversation	revenue	Conversation Minutes	revenue
\$ 1.05	42,856	68,374	s	\$ 71,792.43	\$ 1.05	2	35	s	\$ 36.57	42,858	\$ 71,829.00
\$ 1.09	192,380	311,268	s	\$ 339,282.40	\$ 1.09	204	636	s	\$ 693.29	192,584	\$ 339,975.70
\$ 0.80	8,542	15,307	s	\$ 12,245.34	\$ 0.80	-	9	s	\$ 7.27	8,542	\$ 12,252.62
\$ 0.80	18,905	31,530	s	\$ 25,223.74	\$ 0.80	1	43	s	\$ 34.42	18,906	\$ 25,258.16
\$ 1.43	115,760	215,338	c	\$ 165,536.80	\$ 1.43	763	215,338	c	\$ 1,091.09	116,523	\$ 166,627.89
\$ 1.33	111,401		c	\$ 148,163.33	\$ 1.33	852		c	\$ 1,133.16	112,253	\$ 149,296.49
\$ 1.50	122,140	213,605	c	\$ 183,209.88	\$ 1.50	-	53	c	\$ -	122,140	\$ 183,209.88
\$ 1.59	947,304	1,244,394	c	\$ 1,506,213.36	\$ 2.39	60,434	101,351	s	\$ 242,228.89	1,007,738	\$ 1,748,442.25
\$ 1.90	1,046,175	1,406,563	c	\$ 1,987,732.50	\$ 3.26	54,684	103,468	s	\$ 337,305.68	1,100,859	\$ 2,325,038.18
\$ 0.93	125,269	219,050	s	\$ 203,716.30	\$ 0.93	97	284	s	\$ 264.45	125,366	\$ 203,980.75
\$ 1.54	73,816	103,702	s	\$ 159,597.38	\$ 1.54	94	165	s	\$ 254.09	73,910	\$ 159,851.47
\$ 0.95	147,454	216,485	s	\$ 205,660.72	\$ 0.95	1,759	2,812	s	\$ 2,671.54	149,212	\$ 208,332.26
\$ 1.07	123,283	188,274	s	\$ 201,453.38	\$ 1.07	640	1,277	s	\$ 1,366.18	123,923	\$ 202,819.56
\$ 1.42	54,247	85,012	c	\$ 77,030.88	\$ 1.42	-	28	s	\$ 39.62	54,247	\$ 77,070.50
\$ 1.05	47,535	115,672	s	\$ 121,455.60	\$ 1.05	312	585		\$ 327.71	47,847	\$ 121,783.31
\$ 0.89	443,814	829,864	s	\$ 738,578.96	\$ 0.89	3,385	6,871	s	\$ 6,115.19	447,199	\$ 744,694.15
\$ 0.76	368,238	531,024	s	\$ 403,578.24	\$ 0.76	2,362	4,799	s	\$ 3,647.24	370,600	\$ 407,225.48
\$ 1.20	558,549	655,878	s	\$ 787,053.60	\$ 1.20	925	1,324	s	\$ 1,588.80	559,474	\$ 788,642.40
\$ 1.19	38,032	67,231	s	\$ 80,004.31	\$ 1.19	1	63	s	\$ 74.45	38,033	\$ 80,078.75
\$ 1.76	32,767	67,904	c	\$ 57,669.92	\$ 1.76	182	126	c	\$ 320.32	32,949	\$ 57,990.24
\$ 1.19	62,110	89,816	c	\$ 73,910.51	\$ 1.19	1,002	1,903	c	\$ 1,192.81	63,112	\$ 75,103.32
\$ 1.24	603,567	882,490	c	\$ 748,423.59	\$ 1.24	9,288	18,090	c	\$ 11,517.19	612,855	\$ 759,940.78
\$ 0.92	309,412	546,797	s	\$ 503,052.89	\$ 0.92	83	182	s	\$ 167.87	309,495	\$ 503,220.76
\$ 1.81	129,026	201,239	c	\$ 233,537.06	\$ 1.81	23	125	c	\$ 41.77	129,049	\$ 233,578.83
\$ 1.09	1,296,605	1,673,337	c	\$ 1,413,299.36	\$ 1.09	18	58	c	\$ 19.62	1,296,623	\$ 1,413,318.98
\$ 1.10	2,061,592	3,164,622	c	\$ 2,267,751.74	\$ 1.10	5	67	c	\$ 5.50	2,061,597	\$ 2,267,757.24
\$ 0.87	205,685	413,893	s	\$ 360,087.21	\$ 0.87	0	180	s	\$ 156.99	205,685	\$ 360,244.21
\$ 1.76	11,936		c	\$ 21,007.36				c	\$ -	11,936	\$ 21,007.36
\$ 1.85	315,773		c	\$ 584,180.05				c		315,773	\$ 584,180.05
\$ 2.91	146,446	163,738	c	\$ 426,733.87	\$ 2.97	1,283	2,272	c	\$ 3,805.67	147,729	\$ 430,539.54
\$ 3.70	473,227	415,828	s	\$ 1,538,563.60	\$ 3.70	18,595	21,106	s	\$ 78,092.20	491,821	\$ 1,616,655.80
\$ 3.79	542,557		c	\$ 2,056,292.07	\$ 3.79	19,894		c	\$ 75,397.01	562,451	\$ 2,131,689.08
\$ 1.77	420,082	610,906	c	\$ 743,545.14	\$ 1.77	10,169	25,060	c	\$ 17,999.13	430,251	\$ 761,544.27
\$ 0.89	133,955	207,930	s	\$ 185,057.70	\$ 0.89	25	93	s	\$ 82.77	133,980	\$ 185,140.47
\$ 0.99	253,428	384,801	s	\$ 379,799.04	\$ 0.99	1,619	2,943	s	\$ 2,904.88	255,048	\$ 382,703.92
\$ 0.99	113,404	171,591	s	\$ 169,875.46	\$ 0.99	961	1,739	s	\$ 1,721.89	114,364	\$ 171,597.34
\$ 1.75	49,373		c	\$ 86,402.75	\$ 1.75	5		c	\$ 8.75	49,378	\$ 86,411.50
\$ 1.12	106,175	155,755	s	\$ 174,445.60	\$ 1.12	1,274	2,291	s	\$ 2,565.92	107,449	\$ 177,011.52
\$ 1.03	48,091	82,166	s	\$ 84,630.85	\$ 1.03	-	16	s	\$ 16.97	48,091	\$ 84,647.82
\$ 1.10	41,659	74,237	s	\$ 81,660.36	\$ 1.10	24	147	s	\$ 161.22	41,683	\$ 81,821.58
\$ 0.76	50,435	89,029	s	\$ 67,662.04	\$ 0.76	6	52	s	\$ 39.52	50,441	\$ 67,701.56
\$ 1.18	495,745	811,878	s	\$ 958,015.85	\$ 1.18	95	267	s	\$ 315.17	495,840	\$ 958,331.02
\$ 1.39	43,208	68,325	s	\$ 94,971.75	\$ 1.39	994	2,390	s	\$ 3,322.10	44,202	\$ 98,293.85
\$ 1.43	74,870	88,291	s	\$ 126,256.13	\$ 1.43	2,330	5,515	s	\$ 7,886.45	77,200	\$ 134,142.58

Data from Certified State Programs  
TRS & STS Compensation

Exhibit 1-1

\$ 1.25	1,274,661	2,253,486	c	\$ 1,593,326.25	\$ 1.25	4,602	10,304	c	\$ 5,752.50	1,279,263	\$ 1,599,078.75
\$ 0.89	168,482	275,013	s	\$ 244,761.72	\$ 0.89	4,159	10,101	s	\$ 8,990.04	172,641	\$ 253,751.76
\$ 0.85	151,612	248,766	s	\$ 211,451.38	\$ 0.85	4,092	11,029	s	\$ 9,374.97	155,703	\$ 220,826.35
\$ 0.99	49,416	72,247	s	\$ 71,524.38	\$ 0.99	-	30	s	\$ 29.57	49,416	\$ 71,553.95
\$ 0.88	723,727	1,107,756	s	\$ 974,825.43	\$ 0.88	13,784	27,687	s	\$ 24,364.22	737,510	\$ 999,189.65
\$ 0.91	184,880	341,216	s	\$ 310,506.26	\$ 0.91	158	370	s	\$ 336.63	185,038	\$ 310,842.89
				\$ -					\$ -	-	\$ -
				\$ -					\$ -	-	\$ -
\$ 1.47	839,846	1,382,049	s	\$ 2,031,612.03	\$ 1.47	13,938	19,732	s	\$ 29,006.04	853,784	\$ 2,060,618.07
\$ 2.80	17,010	97,283	s	\$ 272,391.59	\$ 2.80	2	176	s	\$ 492.58	17,012	\$ 272,884.16
\$ 1.15	73,106	98,420	s	\$ 113,183.00	\$ 1.15	1	74	s	\$ 85.10	73,107	\$ 113,268.10
\$ 1.18	13,951	18,360	s	\$ 21,664.80	\$ 1.18	3	21	s	\$ 24.78	13,954	\$ 21,689.58
\$ 0.89	255,300	395,009	s	\$ 351,558.17	\$ 0.89	1,822	3,761	s	\$ 3,346.87	257,122	\$ 354,905.04
\$ 1.08	103,421	156,531	s	\$ 169,053.48	\$ 1.08	115	270	s	\$ 291.60	103,536	\$ 169,345.08
\$ 2.15	44,010	73,420	c	\$ 94,622.02	\$ 2.15	682	5,831	c	\$ 1,466.00	44,692	\$ 96,088.02
\$ 1.28	129,269	180,014	c	\$ 165,464.19	\$ 1.28	1,063	11,069	c	\$ 1,361.02	130,332	\$ 166,825.22
\$ 1.39	881,700	1,588,825	c	\$ 1,225,563.46	\$ 1.39	16,022	26,453	c	\$ 22,271.23	897,723	\$ 1,247,834.69
\$ 1.26	80,385	152,659	s	\$ 192,350.34	\$ 1.26	3,145	5,601	s	\$ 7,057.26	83,530	\$ 199,407.60
\$ 1.28	21,647	32,662	c	\$ 27,708.16	\$ 1.28		38	c	\$ -	21,647	\$ 27,708.16
\$ 1.34	17,815	27,385	c	\$ 23,872.10	\$ 1.34	1	42	c	\$ 1.34	17,816	\$ 23,873.44
				\$ -					\$ -	612,480	\$ 7,920,225.62
\$ 6.28	2,827	7,550	s	\$ 47,446.60	\$ 5.31	60	104	s	\$ 553.40	2,888	\$ 48,000.00
\$ 1.05	405,288	650,303	c	\$ 425,552.40	\$ 1.05	9,065	15,686	c	\$ 9,518.25	414,353	\$ 435,070.65
\$ 0.99	35,825	54,065	s	\$ 53,524.21	\$ 0.99	-	61	s	\$ 60.32	35,825	\$ 53,584.53
\$ 1.08	30,317	47,705	s	\$ 51,521.48	\$ 1.08	31	110	s	\$ 119.02	30,348	\$ 51,640.49
\$ 1.27	299,995	479,785	c	\$ 380,993.97	\$ 1.27	21,193	39,227	c	\$ 26,915.53	321,189	\$ 407,909.50
\$ 0.99	21,640	31,972	S	\$ 31,652.28	\$ 0.99		17	S	\$ 16.83	1	\$ 31,669.11
Total:	18,432,957	26,655,623		\$ 29,940,490.76		288,330	711,557		\$ 958,056.45	19,312,127	\$ 38,818,772.83
Additional Payments:				\$ 2,976,607.16					\$ 10,448.93	\$ 2,987,056.09	
Revenue:				\$ 32,917,097.92					\$ 968,505.38	\$ 41,805,828.92	
Per Minute Rate:				1.7858					3.3590	2.1647	

Data from Certified State Programs  
CTS Compensation

Exhibit 1-2

rate	Conversation Minutes	Session Minutes	session or conversation	revenue
\$ 1.60	591,560.40	702,672.50	c	\$ 946,496.64
\$ 1.55	6,977.41	7,830.75	s	\$ 12,137.66
\$ 1.65	1,167.58	1,325.07	s	\$ 2,186.37
\$ 1.78	272,870.00	308919	c	\$ 485,708.60
\$ 1.76	279,333.00		c	\$ 491,626.08
\$ 1.73	250,889.78	301,308.47	c	\$ 434,039.32
\$ 1.85	3,711,161.89	4,143,550.00	c	\$ 6,865,649.50
\$ 1.51	418,764.18	479,711.86	s	\$ 724,364.91
\$ 1.54	353,196.30	406,863.40	s	\$ 626,162.77
\$ 1.45	253,441.52	293,181.33	s	\$ 425,112.93
\$ 1.61	256,607.32	300,433.46	s	\$ 483,697.87
\$ 1.39	35,912.70	76,917.00	s	\$ 106,914.63
\$ 1.54	811,141.00	941,742.00	s	\$ 1,450,282.68
\$ 1.47	1,096,133.00	1,271,818.00	s	\$ 1,869,572.46
\$ 1.59	558,549.00	655,879.00	s	\$ 1,042,847.61
\$ 1.68	102,832.98	121,069.78	s	\$ 203,397.23
\$ 1.76	27,296.00	32,419.00	c	\$ 48,040.96
\$ 1.76	1,129,465.44	1,313,379.12	c	\$ 1,987,859.17
\$ 1.58	1,069,173.27	1,234,392.01	s	\$ 1,950,339.38
\$ 1.55	372,916.00	418,588.00	s	\$ 648,811.40
\$ 1.57	121,027.00	135,224.00	c	\$ 190,012.39
\$ 1.58	251,889.00	283,365.00	c	\$ 397,984.62
\$ 1.80	494,869.57	571,207.40	c	\$ 890,765.23
\$ 1.54	15,320.00		c	\$ 23,592.80
\$ 1.62	263824		c	\$ 427,394.88
\$ 2.91	78,719.25	118,573.62	c	\$ 229,460.46
\$ 1.72	324633.6428	220,257.00	s	\$ 378,842.04
\$ 1.69	497,282.94		c	\$ 840,408.17
\$ 1.80	946,112.00	1,103,178.00	c	\$ 1,703,001.60
\$ 1.82	271,380.00	328,732.00	s	\$ 598,292.24
\$ 1.78	118,785.00		c	\$ 211,437.30
\$ 1.79	255,365.00	293,276.00	c	\$ 457,103.35
\$ 1.60	111,507.66	131,616.90	s	\$ 210,587.04
\$ 1.70	111,978.54	131,575.65	s	\$ 223,678.61
\$ 1.40	86,709.00	98,590.00	s	\$ 138,026.00
\$ 1.72	996,260.50	1,150,312.83	s	\$ 1,978,538.07
\$ 1.62	46,544.00	73,310.00	s	\$ 118,762.20
\$ 1.62	65,564.00	78,183.00	s	\$ 126,656.46
\$ 1.69	2,459,176.00	2,833,375.00	c	\$ 4,156,007.44
\$ 1.45	664,923.58	763,533.92	s	\$ 1,107,124.18
\$ 1.60	667,404.33	765,785.20	s	\$ 1,225,256.32
\$ 1.66	58,835.75	68,392.44	s	\$ 113,531.45
\$ 1.49	1,663,633.19	1,918,934.54	s	\$ 2,859,212.46

## Data from Certified State Programs

Exhibit 1-2

## CTS Compensation

\$ 1.52	316,855.79	363,462.95	s	\$ 552,463.68
\$ 1.55	45,277.82	51,454.59	s	\$ 79,754.61
\$ 1.63	738,520.74	845,548.00	s	\$ 1,378,243.24
\$ 1.53	719,961.41	823,907.00	s	\$ 1,260,577.71
\$ 1.63	88,645.00	104,271.00	s	\$ 169,961.73
\$ 1.66	18,789.00	21,998.00	s	\$ 36,516.68
\$ 1.45	1,002,252.04	1,171,233.00	s	\$ 1,698,287.85
\$ 1.60	195,924.00	220,350.00	s	\$ 352,560.00
\$ 1.87	140,434.52	166,573.76	c	\$ 262,612.55
\$ 1.79	1,681,054.88	1,950,190.36	c	\$ 3,009,088.24
\$ 1.57	106,130.00	131,277.00	s	\$ 206,104.89
\$ 1.65	62,181.00	77,873.00	s	\$ 128,490.45
\$ 1.86	48,783.00	56,630.00	c	\$ 90,736.38
\$ 1.92	42,863.00	49,713.00	c	\$ 82,296.96
\$ 1.72	644,634.00	750,981.00	s	\$ 1,291,687.32
\$ 1.82	532,757.00	607,550.00	c	\$ 969,617.74
\$ 1.52	89,607.33	99,027.21	s	\$ 150,521.36
\$ 1.60	90,507.14	100,574.49	s	\$ 160,919.18
\$ 1.77	1,058,156.26	1,159,539.35	c	\$ 1,872,936.58
\$ 1.59	63,035.00	76,383.00	S	\$ 121,448.97
<hr/>				<hr/>
Total:	29,857,501.65	32,741,385.20		\$ 53,285,749.60
Additional State Payments:				\$ 89,443.97
				<hr/>
Total Revenue:				\$ 53,375,193.57
Proposed Rate per Minute				\$ 1.7877

IP Relay Average Cost Per Minute  
And Demand Projection

Exhibit 1-3

Category	2011	2012	2013	2014	Tariff year projected cost
Facilities	0.0306	0.0283	0.0265	0.0272	0.0269
CA Related	0.1447	0.1642	0.1567	0.1623	0.1597
Non-CA Relay Center	0.0553	0.0580	0.0550	0.0571	0.0561
Indirect	0.1368	0.1262	0.1778	0.1721	0.1755
Depreciation	0.0350	0.0272	0.0222	0.0239	0.0231
Marketing	0.0154	0.0183	0.0164	0.0194	0.0178
Outreach	0.0148	0.0241	0.0223	0.0267	0.0244
Other	0.4170	0.3636	0.3302	0.3542	0.3423
Return on Investment	0.0143	0.0113	0.0080	0.0060	0.0141
Total Cost	0.8638	0.8212	0.8151	0.8490	0.8399
Demand:	2011	2012	2013	2014	
Jan	3,833,119	2,626,461	1,974,231	1,754,691	
Feb	3,534,873	2,528,769	1,805,401	1,607,012	
Mar	3,873,630	2,669,563	1,951,729	1,749,245	
Apr	3,521,083	2,371,336	1,939,522	1,746,940	
May	3,558,730	2,284,836	1,991,435	1,789,989	
Jun	3,287,517	2,336,316	1,903,514	1,707,553	
Jul	3,359,165	2,371,635	2,001,646	1,802,436	
Aug	3,467,122	2,178,453	1,978,314	1,780,552	
Sep	3,660,681	1,903,200	1,863,111	1,686,610	
Oct	3,462,548	2,029,255	1,983,160	1,794,153	
Nov	2,975,347	1,950,158	1,865,705	1,683,765	
Dec	2,684,170	1,826,948	1,882,171	1,703,758	
total	41,217,985	27,076,929	23,139,939	20,806,702	
	Projected Demand July 2013 - June 2014:			21,929,535	

IP CTS Historical Demand  
and Demand Projections

Exhibit 1-4

	Actual			
Jan-11	1,574,917			
Feb-11	1,610,429			
Mar-11	1,945,684			
Apr-11	1,954,813			
May-11	2,141,225			
Jun-11	2,242,747			
Jul-11	2,334,783			
Aug-11	2,637,386			
Sep-11	2,676,369			
Oct-11	2,944,339			
Nov-11	3,201,686			
Dec-11	3,564,849			
Jan-12	3,984,821			
Feb-12	4,048,520			
Mar-12	4,504,033			
Apr-12	4,557,838			
May-12	5,000,711			
Jun-12	5,192,730			
Jul-12	5,993,805			
Aug-12	6,705,368			
Sep-12	6,807,541			
Oct-12	7,872,000			
Nov-12	8,102,227			
Dec-12	8,859,923			
Jan-13	9,912,758	Weighted by company growth	Industry average 2012 growth	Industry Projection
Feb-13	9,407,933			
Mar-13	10,363,609			
Apr-13				
May-13		11,458,493	11,458,493	10,687,498
Jun-13		12,714,488	12,714,488	11,164,357
Jul-13		14,156,991	14,156,991	11,615,586
Aug-13		15,815,449	15,143,940	12,151,527
Sep-13		17,724,008	16,381,351	12,673,515
Oct-13		19,922,265	17,719,872	13,165,705
Nov-13		22,456,140	19,167,762	13,813,789
Dec-13		25,378,881	20,733,960	14,300,774
Jan-14		28,752,248	22,428,132	14,912,844
Feb-14		32,647,860	24,260,735	15,442,853
Mar-14		37,148,782	26,243,079	15,873,149
Apr-14		42,351,354	28,387,401	16,495,263
May-14		48,367,309	30,706,936	17,029,416
Jun-14		55,326,241	33,216,000	17,550,897
		63,378,457	35,930,079	18,019,671
12 month Total:		409,268,995	290,319,247	181,429,401

IP CTS Historical Demand  
and Demand Projections

Exhibit 1-4

13 month Total:	423,425,985	304,476,238	193,044,987
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IP CTS Costs				
Category	2011	2012	2013	2014
Facilities	\$ 0.0095	\$ 0.0307	\$ 0.0345	\$ 0.0329
CA Related	\$ 0.0616	\$ 0.2225	\$ 0.3785	\$ 0.5015
Non-CA Relay Center	\$ 0.0326	\$ 0.0691	\$ 0.0687	\$ 0.0598
Indirect	\$ 0.2983	\$ 0.2215	\$ 0.1829	\$ 0.1375
Depreciation	\$ 0.0553	\$ 0.0617	\$ 0.0410	\$ 0.0303
Marketing	\$ 0.2103	\$ 0.1425	\$ 0.1000	\$ 0.0847
Outreach	\$ 0.1087	\$ 0.1206	\$ 0.0943	\$ 0.0659
Other	\$ 1.2818	\$ 0.7753	\$ 0.5728	\$ 0.5534
Return on Investment	\$ 0.0259	\$ 0.0257	\$ 0.0144	\$ 0.0100
Total Cost	\$ 2.0840	\$ 1.6696	\$ 1.4869	\$ 1.4762



Fund Size  
and Contribution Factor

Exhibit 2

Service	Methodology	Projected 2012-2013 Demand	2012-2013 Rates	June Demand Adjustments	Projected 2013-2014 Demand	2013-2014 proposed rate	Projected Requirement	Fund Requirement
Traditional TRS	MARS	3,525,597	\$ 2.0304	293,118	3,010,141	\$2.1647	\$7,111,205	
Speech to Speech	MARS	152,101	\$ 2.0304	13,995	175,081	\$2.1647	\$407,414	
STS outreach		152,101	\$ 1.1310	13,995	175,081	\$1.1310	\$213,845	
Caption Telephone	MARS	10,427,773	\$ 1.7730	834,161	10,072,941	\$1.7877	\$19,486,393	
IP Caption Telephone	MARS	72,003,159	\$ 1.7730	14,156,991	409,268,995	\$1.7877	\$756,751,010	
Subtotal MARS:		86,260,731		15,312,260	422,702,239		\$ 783,969,866	\$ 783,969,866
IP Relay	Price Cap	30,775,976	\$ 1.2855	1,903,514	21,929,535	\$1.0391	\$25,234,023	\$25,234,023
VRS								
Tier 1	FCC PN	4,189,489	\$ 6.2390	349,124	3,229,242	\$6.2390	\$22,325,427	
Tier 2	FCC PN	17,775,152	\$ 6.2335	1,481,263	18,135,703	\$6.2335	\$122,282,355	
Tier 3	FCC PN	88,985,503	\$ 5.0668	7,415,459	101,937,213	\$5.0668	\$554,068,115	
Subtotal VRS:		110,950,144		9,245,845	123,302,158		\$698,675,897	\$698,675,897
Projected Provider Payments		227,986,851						\$1,507,879,786

Deaf Blind Equipment Distribution Program	\$10,000,000	
Service Provider Audits	\$3,000,000	
TRS Fund Administration	\$1,109,558	
iTRS database Administration	\$415,000	
Investment Fees	\$150,000	
Data Collection Agent	\$60,000	
independent financial audit	\$60,000	
Bankruptcy representation	\$50,000	
Council Meeting Expenses	\$45,000	
IPERA testing	\$100,000	
Single month provider Payment Reserve	\$119,561,049	
Non-Provider Subtotal:	\$134,550,607	\$134,550,607
Grand Total Requirements:		\$1,642,430,393
estimated fund balance at 6/30/2013		(\$98,577,744)
estimated interest on fund investments		(\$250,000)
		<b>\$1,543,602,649</b>

Estimated Contribution Base @ April 26, 2013: **\$66,341,235,066**  
Proposed Contribution Factor: **0.02327**



Anticipated Reporting and  
Reimbursement Schedule

Exhibit 3

Service Month	Reporting Schedule	Anticipated Distribution
Apr-13	5/14/2013	7/5/2013-Friday
May-13	6/14/2013	8/2/2013-Friday
Jun-13	7/15/2013	9/6/2013-Friday
Jul-13	8/14/2013	10/4/2013-Friday
Aug-13	9/16/2013	11/8/2013-Friday
Sep-13	10/15/2013	12/6/2013-Friday
Oct-13	11/15/2013	1/3/2014-Friday
Nov-13	12/13/2013	2/7/2014-Friday
Dec-13	1/14/2014	3/7/2014-Friday
Jan-14	2/14/2014	4/4/2014-Friday
Feb-14	3/14/2014	5/9/2014-Friday
Mar-14	4/14/2014	6/6/2013-Friday
Apr-14	5/14/2014	6/27/2014-Friday
May-14	6/13/2014	7/18/2014-Friday